

(a)
REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.

CERTIFICATION

I, **PING-HUNG CHEN**, of legal age, R.O.C citizen, with office address at the 7th Floor, The Columbia Tower, Ortigas Avenue, Mandaluyong City, after being sworn in accordance with law, hereby depose and certify:

1. I am the Treasurer and CFO of **PHILIPPINE SEVEN CORPORATION** (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Philippines, with principal office at the 7th Floor, The Columbia Tower, Ortigas Avenue, Mandaluyong City;
2. I hereby certify that the basic and material data in the Annual Report and Audited Financial Statements of the Corporation for the year 2012 are also contained in the compact disc and hard copies.


IN WITNESS WHEREOF, I have hereunto set my hand this APR 14 2013 day of APRIL 2013, Mandaluyong City, Philippines.


PING-HUNG CHEN
Treasurer and CFO

APR 11 2013

SUBSCRIBED AND SWORN, to before me this _____ day of _____ 2013 at the City of PASIG CITY, Philippines, affiant exhibited to me his Tax Identification Number (TIN) 418-947-911-000.

Doc. No. 22;
Page No. 5;
Book No. XXV;
Series of 2013.

NOTARY PUBLIC

ATTY. RAMON CARPIO
NOTARY PUBLIC
ROLL NO. 118-897
MCLE #/A IV-20120001-07/12 PASIG CITY
PTR #/A 8410181, 1/2/13 PASIG CITY

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE
AND SECTION 141 OF CORPORATION CODE**

1. For the fiscal year ended **2012**
2. SEC Identification Number **108476**
3. BIR Tax Identification No. **301-000-390-189**
4. Exact name of registrant as specified in its charter **PHILIPPINE SEVEN CORPORATION**
5. **Philippines**
Province, Country or other jurisdiction of Incorporation or Organization
6. (SEC Use Only)
Industry Classification Code:
7. **7th Floor, The Columbia Tower,
Ortigas Ave., Mandaluyong City**
Address of principal office
8. **(632) 724-4441 to 51**
Registrant's telephone number, including area code
9. Not Applicable
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA



1550
Postal Code

| Title of Each Class | Number of Shares of Common Stock Outstanding |
|---------------------|-------------------------------------------------|
| Common | 398,639,411 |

11. Are any or all of these securities listed on the Philippine Stock Exchange.

Yes No

| Title of Class | Total Shares Listed |
|----------------------|---------------------|
| Common Shares | 399,325,661 |

12. Check whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);

(b) Has been subject to such filing requirements for the past 90 days.

Yes No

8. The aggregate market value of the voting stock held by non- affiliates of the registrant.

The aggregate market value of 124,279,793 share of common stock is Php 11,433,740,956.00 based on the bid price of P92.00 per share as of December 28, 2012, the last transaction date for the year under review.

DOCUMENTS INCORPORATED BY REFERENCE

- (a) List of leased properties for the 7-Eleven Stores operational as Corporate and under a Franchise Agreement (Appendix A);
- (b) Audited Consolidated Financial Statements for the year end December 31, 2012 showing the financial condition of registrant as per Item 7 of SEC Form 17-A (Appendix B);
- (c) Management's Discussion and Analysis of 2012 Operations as per Item 6 of SEC Form 17-A (Appendix C).

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

Philippine Seven Corporation (“PSC”) was registered with the Securities and Exchange Commission (“SEC”) on November 23, 1982. It acquired from Southland Corporation (now Seven Eleven, Inc. or “SEI”) of Dallas, Texas the license to operate 7-Eleven stores in the Philippines in December 13, 1982. Operations commenced with the opening of its first store in February 29, 1984 at the corner of Kamias Road and EDSA Quezon City, Metro Manila. Considering the country’s economic condition at that time, the Company grew slowly in its first few years of existence.

In July 28, 1988, PSC transferred the Philippine area license to operate 7-Eleven stores to its affiliate, Phil-Seven Properties Corporation (“PSPC”), together with some of its store properties. In exchange thereof, PSC received 47% of PSPC stock as payment. Concurrent with the transfer, PSC entered into a sublicensing agreement with PSPC to operate 7-Eleven stores in Metro Manila and suburbs. As part of PSPC’s main business, it acquired or leased commercial properties and constructed retail store buildings, leasing the buildings to PSC on long term basis together with most of the capital equipment used for store operations. In effect, PSC concentrated on managing its stores and effectively took the role of a pure retailer.

In May 2, 1996, the stockholders of both PSC and PSPC approved the merger of the two companies to advance PSC group’s expansion. In October 30, 1996, SEC approved the merger and PSPC was then absorbed by PSC as the surviving entity. With the consolidation of the respective lines of business of PSC and PSPC, PSC’s retailing strengths were complemented by PSPC’s property and franchise holdings. Their management as a single entity enhanced operational efficiency and strengthened ability to raise capital for growth. PSC listed its shares (SEVN) in the Philippine Stock Exchange and had its initial public offering in February 04, 1998. The shares were offered at the price of P4.40 per share from its par value of P1.00 per share. In September 17, 1998, PSC established Convenience Distribution Inc. (“CDI”), a wholly owned subsidiary, to provide a centralized warehouse and distribution system to service its 7-Eleven stores.

With the effectivity of the Retail Trade Liberalization Act (R.A. 8762) on March 25, 2000, foreign entities were allowed to invest in an existing retail company subject to the requirements of the law. President Chain Store Corporation of Taiwan (PCSC), which is also the 7-Eleven licensee in Taiwan operating about 2,700 stores, purchased 119,575,008 common shares of PSC or 50.4% of PSC’s outstanding capital stock at the price of P8.30 per share. The purchase was made under a tender offer during October 9 to November 7, 2000 by President Chain Store (Labuan) Holdings, Ltd., a Malaysian investment holding company, wholly-owned by PCSC. The acquisition is meant to forge a strategic alliance which aims to provide PSC with technical support from PCSC in strengthening its organizational structure and operating systems. This shall enable PSC to pursue store expansion plans on sound and profitable basis. A new affiliate, Store Sites Holdings Inc., was also established on November 9, 2000, as the entity to own land properties. These land properties are leased to PSC by SSHI. PSC’s area license to operate 7-Eleven Stores in the Philippines was renewed in August 31, 2007 for another term of 20 years, renewable every 10 years. The Renewal Area License Agreement has been approved by and registered with the Intellectual Property Office as of September 25, 2007.

PSC initiated the establishment of PhilSeven Foundation Inc. (PFI) in October 2, 2007 to support its corporate social responsibility programs. PFI was granted a certificate of registration by DSWD on August 6, 2010. BIR issued a certificate of registration to PFI dated December 21, 2011 recognizing PFI as a donee institution.

The company had a manpower complement of 2,666 personnel, 615 of whom are regular employees, 66 contractual/probationary and 1,985 cooperative members to augment temporary needs during peak hours or season in the stores and the support services units. There is no existing labor union in the company and collective bargaining agreement. There is a PSC Employees Council which communicates to management the employees concerns. There has been no strike or threat to strike from the employees for the past three years.

At year end, PSC is operating 829 stores, 345 of which are franchise stores under FC1, 209 franchise stores under FC2, and the remaining 275 are company-owned stores. The store franchise contracts have a minimum term of 5 years each, renewable for a similar term. The stores under franchise are indicated in the store list provided in the discussion of Leases herein.

Currently, PSC considers three major competitors in maintaining its leadership in the Convenience Store (“C-Store”) Industry. There are a number of other generic or hybrid stores or grocery stores including gas marts, but their store count or sales volume as a group by itself is not significant to be considered. PSC has forged a non-exclusive tie-up with Chevron Philippines Inc. in August 2009 for opening of 7-Eleven stores in selected Caltex stations. Another non-exclusive tie-up was concluded in May 2011 with Total (Philippines) Corporation to establish 7-Eleven Stores in identified

Total gasoline stations. The Company continues to sustain its leadership by putting stores in strategic locations, carrying product assortment fit for such market.

In spite of the growing competition in convenience store ("C-Store") businesses, PSC maintains its leadership in the industry. The Corporation estimates its market share in branded C-store businesses as of December 31, 2012, in terms of number of C-store outlets in Metro Manila and adjacent provinces, as follows:

| | <i>Number of C-stores</i> | <i>Market Share (as of 31 Dec 2012)</i> |
|----------------------|---------------------------|-----------------------------------------|
| 7-Eleven | 829 | 45% |
| Mercury Self-Serve | 606 | 33% |
| Ministop | 334 | 18% |
| San Miguel Food Shop | 60 | 3% |
| TOTAL | 1,829 | 100% |

The majority shareholder, PCSC, has hands-on experience and know how in operating more than 4,852 7-Eleven Stores in Taiwan and continually providing technical expertise, logistics infrastructure and marketing support program to build the Corporation's business systems for its store expansion program. The continuous improvement of the Corporation's supply chain shall generate further efficiencies to effectively compete with the entry of other players in the C-store business. The successful franchise program is another mover to achieve the expansion plans and to dominate the c-store market. As part of expansion program, the Company opened 7-Eleven Stores in Cebu last July 2012. A total of 19 stores were operational in Cebu as of end of the year. This shall be the base for the expansion in Visayas.

The average number of customers that transact in the stores is about 988 per day per store with an average purchase transaction of about ₱ 49.77. The stores carry a wide range of beverages, food service items, fresh foods, hot foods, frozen foods, confectioneries, cookies and chips, personal care products, groceries and other daily needs and services for modern convenience which neighborhood residents, commuters, students and other urban shoppers would look for in a convenience store. Also offered in the store are proprietary product lines under the 7-Eleven trademark such as but not limited thereto:

| Trademarks | Description of Product | Application Date | Status |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------------------------------------------|
| 1. Slurpee | Frozen carbonated beverage, prepared with a variety of high-quality syrups, properly brixed, and served in standardized, trademark SLURPEE cups | Aug. 19, 1992 | Renewed as of Aug. 19, 2012 |
| 2. Super Big Bite | Sandwiches, hotdogs and buns | Aug. 29, 2003 | Registered for 15 years from Aug. 29, 2003 to Nov. 17, 2018 |
| 3. Big Gulp | Post-mix fountain beverage, prepared with a variety of high quality syrups | Nov. 16, 1992 | Renewed as of Nov. 16, 2012 |

PSC also sells its developed or own branded products/services under the following trademarks:

| Trademarks | Description of Product | Application Date | Status of Registration |
|-----------------------------|--------------------------------------------------------------------------------------------|-------------------------|--------------------------------------------------------------------------------------------------|
| 1. Hot Cup Quick Mix | Instant pre-packed hot beverages sold in 7-Eleven stores | June 5, 2006 | Registered for 10 years (March 3, 2008 to March 3, 2018) 3rd year DAU filed on June 5, 2009 |
| 2. Café 24/7 | Brewed coffee, hot chocolates, cappuccino, hot tea and other coffee and chocolate variants | June 5, 2006 | Registered for 10 years (Feb. 16, 2009 to Feb. 16, 2019) 3rd year DAU filed on February 23, 2010 |
| 3. 24-Hr Express Payment | Receiving from customers payments to various establishments | June 5, 2006 | Application pending 3rd year DAU filed on June 5, 2009 |
| 4. Pinoy Rice Meal & Device | Ready-to-eat rice meals with variants | June 5, 2006 | Application pending 3 rd year DAU filed on June 5, 2009 |
| 5. Medi-express | Pharmaceutical | January 19, 2006 | Registered for 10 years (Apr. 14, 2008 to Apr. 14, 2018) 3rd year DAU filed on July 20, 2009 |
| 6. Daily Bread | Different variants of bread | May 18, 2007 | Registered for 10 years (May 19, 2008 to May 19, 2018) 3rd year DAU filed on April 30, 2010 |
| 7. Hotta Rice | Ready-to-eat rice meals with different variants | September 22, 2008 | Registered for 10 years (Feb. 23, 2009 to Feb. 23, 2019) 3rd year DAU filed on September 7, 2011 |
| 8. Pastarrific | Pasta meals with variants | March 10, 2009 | Registered for 10 years (Nov. 19, 2009 to Nov. 19, 2019) |

Further, the products or services carried by the stores as described above are generally categorized as General Merchandise which accounts for 75.79%, Food Service and Cupdrinks for 23.35% and Services at 0.85%.

The merchandise stocks are supplied by over 350 vendors/suppliers and are mostly governed by the standard trading terms contract prescribed by the Company. Among the largest suppliers for the products carried by the stores are Unilever Philippines Inc., San Miguel Corporation, Pepsi Cola Products Phils. Inc., Coca Cola Bottlers Phils. Inc., Universal Robina Corporation, PMFTC, Absolute Sales Corporation, Del Monte Philippines Inc., Nestle Philippines Inc., Superdough Food and Catering. These top suppliers account for 51% share in the 7-Eleven business.

Item 2. Properties

The following properties are company-owned, free from any lien or encumbrances, as described below:

Condominium (Owned)

| Description | Location | Total Lot Area (in square meter) |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| MH del Pilar Store Branch | Unit Nos. 102 & 201, Ferguson Tower, A. Flores cor. MH del Pilar & Guerrero Sts., Ermita, Manila | 151.43 |
| Office Space | All units of 7 th Floor and 4 units of 11 th Floor, Columbia Tower Ortigas Avenue, Mandaluyong City | 1,807.00 |
| 22 parking units | G/F, Basement 2 and 3 Columbia Tower | 325.00 |

The Company divested its land holdings to 7 parcels of land, excluding the improvements thereon, to its affiliate, Store Sites Holdings, Inc. (SSHI) at book value. SSHI was registered with SEC last November 9, 2000, initially wholly-owned by PSC. It eventually became 40% Company-owned with the 60% investment in SSHI by the PSC Employees Retirement Plan through its trustee, Bank of Philippine Islands-Asset Management & Trust Group. Anticipating foreign ownership in PSC to exceed 40%, the divestment was made to SSHI, which is 60% owned by Filipinos and 40% by foreigners to comply with 40% foreign ownership limit for corporations allowed to hold or own land/s in the Philippines.

As part of the normal course of business, the Company shall continue to acquire properties under lease agreement. The Company, on a case to case basis, may consider purchase of real property for store sites or office site if there is an opportunity or offer at a reasonable price. However, there is no capital expenditure allocation for purchase of real properties in the next twelve (12) months.

Leases

The Company leases land or existing building shell for its establishment of 7-Eleven stores. The lease term for these locations ranges mostly from 5 to 10 years. The numbers of locations which shall expire within the next 5 years are as follows:

| 2013 | 2014 | 2015 | 2016 | 2017 |
|------|------|------|------|------|
| 88 | 90 | 124 | 161 | 159 |

Rental rates of 7-Eleven Stores vary depending on transaction type as land or building shell transaction; size of the area being leased; site location in relation to the trade area; and the prevailing real estate market rates. The total amount of lease payments by the Corporation is contained in the Financial Notes on Leases of the audited financial statements attached herein. The list of leased properties for the 7-Eleven Stores operational as Corporate and under a Franchise Agreement is attached hereto as Appendix "A".

Item 3. Legal Proceedings

The Company is a party to certain litigations involving minor issues, from time to time, before the Department of Trade and Industry, employees suing for illegal dismissal, back wages and damage claims, claims arising from store operations and as co-respondents with manufacturers on complaints with BFAD, for specific performance and other civil claims. The Company also filed criminal cases against employees and other persons arising from theft, estafa and robbery; civil claims for collection of sum of money, specific performance and damages. All such cases are in the normal course of business and are not deemed or considered as material legal proceeding as stated in Part I, Paragraph (C) of "Annex C" of SEC checklist 17-A.

Item 4. Submission of Matters to a Vote of Security Holders

A stockholders' meeting was held last July 24, 2012, during which, the declaration of 15% stock dividend was submitted to a vote of security holders. This is the fifth consecutive year that the Corporation declared stock dividends from 2008. The action to increase the authorized capital stock of the Corporation from Php 400,000,000.00 to Php 600,000,000.00 was submitted to vote and approved by the stockholders representing at least 2/3 of the Corporation's outstanding capital stock. No other stockholders' meeting was held for the period ending December 31, 2012.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

Market Information

The Company's common shares were listed in the Philippine Stock Exchange (PSE) on February 04, 1998.

The public ownership level of the Company's shares is 31.18% as of March 31, 2013. This is above the minimum public ownership requirement of 10%.

The trading record of the Company's shares as of December 31, 2011 and 2012 are as follows:

December 31, 2011

| Month | Open | High | Low | Close | Volume |
|-------------------------|-------|-------|-------|-------|--------|
| 1 st Quarter | 17.02 | 18.20 | 17.02 | 18.20 | 800 |
| 2 nd Quarter | 18.10 | 18.10 | 18.10 | 18.10 | 100 |
| 3 rd Quarter | 24.00 | 24.00 | 23.20 | 23.20 | 1,200 |
| 4 th Quarter | 25.90 | 25.90 | 25.90 | 25.90 | 600 |

December 31, 2012

| Month | Open | High | Low | Close | Volume |
|-------------------------|-------|-------|-------|-------|---------|
| 1 st Quarter | 41.00 | 49.00 | 41.00 | 49.00 | 2,100 |
| 2 nd Quarter | 46.20 | 49.50 | 46.20 | 48.80 | 77,400 |
| 3 rd Quarter | 73.00 | 73.00 | 72.00 | 73.00 | 110,190 |
| 4 th Quarter | 90.00 | 92.00 | 87.70 | 92.00 | 6,570 |

Latest Trading - updated as of April 2013

| Month | Open | High | Low | Close | Volume |
|-------------------|-------|--------|-------|--------|--------|
| January 31, 2013 | 93.00 | 100.00 | 93.00 | 100.00 | 7,710 |
| February 28, 2013 | 90.00 | 95.00 | 90.00 | 95.00 | 3,180 |
| March 26, 2013 | 94.00 | 94.00 | 94.00 | 94.00 | 200 |
| April 12, 2013 | 92.00 | 93.00 | 89.00 | 93.00 | 19,260 |

Stock/Cash Dividends

A stock dividend was declared and approved by the stockholder during the annual meeting last 24 July 2012. The stock dividend corresponds to 15% of the outstanding capital stock of the Corporation of 346,642,966 shares or equivalent to 51,996,445 common shares. Also, cash dividend of ten centavos (Php 0.10) per share was declared and approved during the special board of directors meeting last July 24, 2012. Stockholders of record as of August 22, 2012 were entitled to said cash dividend and the corresponding cash payments were issued and paid to stockholders on payment date last September 14, 2012. Record date for entitlement to stock dividend was set by the Securities and Exchange Commission (SEC) on November 15, 2012 in connection with its approval of the Corporation's application for increase in authorized capital stock from Four Hundred Million Pesos (Php 400,000,000.00) to Six Hundred Million Pesos (Php 600,000,000.00).

Total outstanding capital stock of the Corporation after the payment of the stock dividend is 398,639,411 shares. Likewise, there was no sale of any unregistered securities. There is no restriction that limits the ability of the Company to pay dividends on common equity.

Holdings

As of March 31, 2013, there were 656 shareholders of the Company's outstanding common shares totaling 398,639,411 shares.

The top 20 shareholders and their corresponding shareholdings as of March 31, 2013 are as follows:

| TOP 20 SHAREHOLDERS | CITIZENSHIP | SUBSCRIPTION | % HOLDINGS |
|--------------------------------------------------|--------------------|---------------------|-----------------------|
| 1. President Chain Store (Labuan) Holdings, Ltd. | Malaysian | 205,544,409 | 51.56% |
| 2. PCD Nominee Corporation (Non-Filipino) | Non-Filipino | 94,352,781 | 23.67% |
| 3. Asian Holdings Corporation | Filipino | 26,784,047 | 6.72% |
| 4. Agus Development Corporation | Filipino | 10,738,530 | 2.69% |
| 5. Jose Victor P. Paterno | Filipino | 10,420,327 | 2.61% |
| 6. Progressive Development Corp. | Filipino | 10,009,176 | 2.51% |
| 7. PCD Nominee Corporation (Filipino) | Filipino | 9,789,217 | 2.46% |
| 8. Ma. Cristina P. Paterno | Filipino | 7,189,210 | 1.80% |
| 9. Ma. Elena P. Locsin | Filipino | 6,054,377 | 1.52% |
| 10. Paz Pilar P. Benares | Filipino | 4,926,931 | 1.24% |
| 11. Ma. Teresa P. Dickinson | Filipino | 3,767,950 | 0.95% |
| 12. Maria Henrietta R. Santos | Filipino | 1,766,874 | 0.44% |
| 13. Seven Eleven, Inc. | American | 1,550,650 | 0.39% |
| 14. Dante G. Santos | Filipino | 1,541,992 | 0.39% |
| 15. Vicente T. Paterno | Filipino | 1,220,237 | 0.31% |
| 16. Manuel U. Agustines | Filipino | 707,613 | 0.18% |
| 17. Antonio Diaz Sta Maria | Filipino | 168,024 | 0.04% |
| 18. Felicia R. Santos | Filipino | 136,194 | 0.03% |
| 19. Luis Y. Locsin | Filipino | 100,786 | 0.03% |
| 20. Leandro Y. Locsin Jr. | Filipino | 100,786 | 0.03% |
| TOTAL OF TOP 20 SHAREHOLDERS | | 396,870,111 | 99.56% |
| OTHER SHAREHOLDERS | | 1,769,300 | 0.44% |
| TOTAL | | 398,639,411 | 100.00% |

Item 6. Management's Discussion and Analysis or Plan of Operation.

The Management's Discussion and Analysis of 2012 Operations is attached hereto as Appendix C.

Item 7. Financial Statements

The Company's Audited Financial Statements for the year ending December 31, 2012 is attached hereto as Appendix B.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no changes in or disagreements with accountants on accounting and financial disclosures.

Information on independent accountant and other related matters

External audit fees and services

The following table summarizes the fees paid or accrued for services provided by our external auditors for the fiscal years ended December 31, 2012 and 2011:

| | 2012 | 2011 |
|----------------|----------------|---------------|
| | (in thousands) | |
| Audit Fees | P1,832 | P 1,669 |
| Tax Fees | 1,284 | 13 |
| All Other Fees | 132 | 448 |
| Total | P3,248 | P2,130 |

Audit Fees. This category includes the audit of our annual financial statements, review of interim financial statements and services that are normally provided by the independent auditors in connection with statutory and regulatory filings or engagements for those fiscal years. This category also includes the advice on audit and accounting matters that arose during, or as a result of the audit or the review of interim financial statements. Amount indicated above is only an estimate of fees for the 2011 Audit services, exclusive of VAT and out of pocket expenses.

Tax Services. This category includes tax compliance, tax advice, tax planning and other services performed by our independent auditors.

All Other Fees. This category consists primarily of fees for consultations, special engagements relating to issuance of long form audit report and securing documents which are required for the payment of dividends and other incidental expenses.

The fees presented above includes out-of-pocket expenses incidental to our independent auditors' work.

Our Audit Committee pre-approves all audit and non-audit services as these are proposed or endorsed before these services are performed by our independent auditors.

Amount indicated above is only an estimate of long form audit fee for 2012 for job arrangement for this service is not yet finalized.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

a) Directors and Corporate Officers

The eleven (11) directors of the Company are elected at the Annual Stockholders meeting to hold office until the next succeeding annual meeting or until their respective successors have been elected and qualified. The members of the Board of Directors and corporate officers of the Company as of December 31, 2012 are the following:

| NAME | AGE | Term of Present Position | No. of Year(s) In Service | Business Experience |
|------------------------------------------------------------------------------------------------------------------------|-----|--------------------------|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CHIN-YEN KAO Honorary Chairman of the Board Citizenship: R.O.C. | 83 | 11 yrs. | 11 yrs. | <ul style="list-style-type: none"> Chairman - Uni-President Enterprise Corp.; President Chain Store Corporation; President Fair Development Corp.; President International Development Corp.; Ton Yi Industrial Corp.; TTET Union Corp. Director-President Chain Store (Labuan) Holdings Ltd.; PCSC (China) Drugstore Limited; PCSC; President Chain Store (BVI) Holdings Ltd.; Kai Yu (BVI) Investment Co., Ltd.; Global Strategic Investment, Inc.; President Energy Development (Cayman Islands) Ltd.; Cayman President Holdings Ltd.; Kao Chyuan Investment Co.Ltd.; Uni-President China Holdings Ltd.; Tainan Spinning Co., Ltd.; Hantech Venture Capital Corp. Honorary PhD, Lincoln University, USA; Honorary PhD, Sun Yat-sen University; Honorary PhD, National Cheng Kung University |
| VICENTE T. PATERNO Chairman of the Board and Director Citizenship: Filipino | 87 | 30 yrs. | 30 yrs. | <ul style="list-style-type: none"> Chairman - Store Sites Holding Inc.; PhilSeven Foundation Inc. Former Director - State Land Investment Inc., First Philippine Holdings Corporation; Benpres Holdings Corporation Bachelor of Science in Mechanical Engineering, University of the Philippines; Master of Business Administration (with Distinction), Harvard University |
| YEN-SEN YANG* Vice- Chairman and Director Citizenship: R.O.C <i>*Resigned as of November 13, 2012</i> | 53 | 7 yrs. & 4 mos. | 7 yrs. & 4 mos. | <ul style="list-style-type: none"> Senior Vice-President - President Chain Store Corp. Director - President Being Corp.; 21 Century Enterprise Co., Ltd.; Duskin Serve Taiwan Co.; Books.com. Co., Ltd.; President Chain Store Tokyo Marketing Corporation; Philippine Seven Corp; Pet Plus Co., Ltd. Presiclrc Limited; President Technology Corp.; Mech-President Corp., PCSC (SICHUAN) Hypermarket Limited; PCSC (CHENGDU) Hypermarket Limited; President Information Corp.; Presicarre Corp. MBA, Baruch College, New York City University |

| | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------|----|------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>NAN-BEY LAI* Vice-Chairman and Director</p> <p>Citizenship: R.O.C.</p> <p><i>*Elected as Vice-Chairman as of November 13, 2012</i></p> | 61 | 2 yrs and 9 mos. | 2 yrs and 9 mos. | <ul style="list-style-type: none"> • <i>President – Books.com Co., Ltd.</i> • <i>Senior Vice President- President Chain Store Corporation</i> • <i>Chairman- Duskin Serve Taiwan Co.; Rakuten Taiwan Co., Ltd.; Bank Pro E-Service Technology Co., Ltd;PCSC (Vietnam) Supermarket LTD.</i> • <i>Vice Chairman- Philippine Seven Corp.</i> • <i>Director- Books.com Co., Ltd.; President Chain Store Corporation;Presidentt Drugstore Business Corp.; Mech-President Corp.;President Transnet Corp.; President Collect Services Co., Ltd.;Uni-President Department Store Corp.; Pet Plus Co., Ltd.;Muji (Taiwan) Co., Ltd.; President Organics, Co.; President SATO Co., Ltd.; Q-ware Systems & Services Corp.; Ren-Hui Investment Corp.; SATO (Shanghai) Catering Mathematics Co., Ltd.; Tong-Ho Development Corp.; Q-ware Communications Co., Ltd.</i> • <i>BA, Dept of Business Administration, Tunghai University</i> |
| <p>JOSE VICTOR P. PATERNO President and Director</p> <p>Citizenship: Filipino</p> | 45 | 8 yrs. | 15 yrs. | <ul style="list-style-type: none"> • <i>President & CEO, Philippine Seven Corporation</i> • <i>Chairman & President – Convenience Distribution, Inc;</i> • <i>Vice-Chairman- PhilSeven Foundation, Inc.</i> • <i>President – First MFI Network, Inc.</i> • <i>Chairman – Supply Chain Networks, Inc.</i> • <i>Director – Electronic Commerce Payment (EC Pay) Network, Inc.; The Straits Wine Company, Inc.</i> • <i>Former Vice-President for Operations– Philippine Seven Corporation</i> • <i>Bachelor of Science in Mechanical Engineering, (magna cum laude), Lehigh Univerisity, Bethlehem Pennsylvania, U.S.A.</i> |
| <p>JORGE L. ARANETA Director</p> <p>Citizenship: Filipino</p> | 77 | 24 yrs. | 24 yrs. | <ul style="list-style-type: none"> • <i>Chairman & CEO - Araneta Center Inc./ Philippine Pizza Inc./ Progressive Development Corporation</i> • <i>Bachelor of Science in Business Administration, University of the Philippines</i> |
| <p>DIANA P. AGUILAR Director</p> <p>Citizenship: Filipino</p> | 49 | 14 yrs. 8 mos. | 14 yrs. 8 mos. | <ul style="list-style-type: none"> • <i>Commissioner- Social Security Commission; Social Security System</i> • <i>Director – Security Bank Corporation; Phoenix Petroleum Phils., Inc.; Asian Holdings Corporation; WenPhil Corporation; Electronic Commerce Payments Network Inc.; Artemis Electronic Systems, Inc.; DAJ Property Holdings Corp.; Gate Distribution Enterprises, Inc.; ERA Philippines, Inc.</i> • <i>Director & Treasurer - Land & Housing Dev’t. Corporation/ Cable Entertainment Corp.;</i> • <i>Member – Executive Finance Committee, De La Salle Santiago Zobel School</i> • <i>Treasurer - Franchise One Corporation; Foundation for International Research Skills & Training, Inc.; Modesto Holdings Philippines, Inc.</i> • <i>Bachelor of Science in Computer Science (Dean’s List) De La Salle University;</i> • <i>Master in Business Administration Majoring in International Business and Finance (cum laude), Pepperdine Unviersity, Malibu, U.S.A.</i> |
| <p>ANTONIO JOSE U. PERIQUET, JR. Independent Director</p> <p>Citizenship: Filipino</p> | 52 | 2 yr and 8 mos. | 2 yr and 8 mos. | <ul style="list-style-type: none"> • <i>Chairman – Pacific Main Holdings, Inc.; Campden Hill Group, Inc.(Dormant); Regis Financial Advisers (Dormant)</i> • <i>Director - The Straits Wine Company, Inc.</i> • <i>Independent Director- Ayala Corporation; BPI Capital; DMCI Holdings, Inc.; Bank of the Philippine Islands; BPI Family Bank</i> • <i>Trustee - Lyceum University of the Philippines</i> • <i>Member – Deans Global Advisory Council, Darden School of Business, University of Virginia; Board of Advisers, ABS-CBN Broadcasting Corporation</i> • <i>AB Economics, Ateneo De Manila University;</i> • <i>MSc Development Economics, Oxford University;</i> • <i>MBA, University of Virginia</i> |

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|-----------------------------------------------------------------------------------------------------------------|-----------|----------------------------|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>MICHAEL B. ZALAMEA Independent Director</p> <p>Citizenship: Filipino</p> | <p>48</p> | <p>8 yrs. & 5 mos.</p> | <p>8 yrs. & 5 mos.</p> | <ul style="list-style-type: none"> • Director – Philippine Coastal Storage & Pipeline Corp.; Clark Pipeline & Depot Company Inc.; Wespak Holdings, Inc. • Former Portfolio Manager – Global Fund, American International Group, Inc. • Director – The Straits Wine Company, Inc. • Trustee – The Beacon Academy • Bachelor of Science in Finance, Fordham University U.S.A; • MBA, University of Virginia |
| <p>CHUNG-JEN HSU* Director</p> <p>Citizenship: R.O.C.</p> <p><i>*Resigned as of November 13, 2012</i></p> | <p>65</p> | <p>11 yrs.</p> | <p>11 yrs.</p> | <ul style="list-style-type: none"> • President- President Chain Store Corporation; Ren-Hei Investment Corp. • Chairman- President Drugstore Business Corp. Capital Inventory Services Corp. Wisdom Distribution Service Corp. President YiLan Art and Culture Corp. President Information Corp. Bank Pro E-Service Technology Co., Ltd. Duskin Serve Taiwan Co. Mister Donut Taiwan Corp. Muji Taiwan Co., Ltd. Retail Support International Corp. President FN Business Corp. Afternoon Tea Taiwan Co., Ltd.; Pet Plus Co., Ltd. 21 Century Enterprise Co., Ltd. Ren-Hei Investment Corp.; Mech-President Corp.; President Transnet Corp. President Collect Services Co. Ltd.; President Logistics International Corp.;Chieh Shuen Logistics International Corp.; President Jing Corp.; PRESIDENT SATO CO., LTD.; Shenzhen Cosmed-Livson PharmacyChain Store Co., Ltd. • Vice Chairman- Uni-President Department Store Corp. Uni-President Development Corp.; Tong-Jeng Development Corp.; • Director- Shanghai President Logistics Co., Ltd.; Uni-President Cold-Chain Corp. Uni-President Oven Bakery Corp. President Coffee Corp. President Pharmaceutical Corp. Tong-Ho Development Corp.; Philippine Seven Corp.Presiclerc LimitedShanghai President Starbucks Coffee Corp. President International Development Corp.Shan Dong President Yinzuo Commercial Limited PK Venture Capital Corp. Wuhan Uni-President Oven Fresh Bakery Co., Ltd. President Chain Store (Shanghai) Ltd. Cold Stone Creamery Taiwan Ltd.PCSC (SICHUAN) Hypermarket Limited PCSC (CHENGDU) Hypermarket Limited Shanghai Cold Stone Ice Cream CorporationPCSC Afternoon Tea Shanghai Ltd.President Cosmed Chain Store (Shen Zhen) Co.,Ltd.; PCSC Afternoon Tea Cayman Ltd.President Coffee (Cayman)Holdings Ltd. Duskin China(BVI)Holding Limited.President Chain Store(Hong Kong) Holdings Limited; Shanghai SATO Restaurant System Co., Ltd.; PRESIDENT Royal Host (SHANGHAI) LTD.; President Pharmaceutical (Hong Kong) Holdings Limited; President (Shanghai) Health Products Trading Co., LTD • MBA, University of Waseda |
| <p>CHIEN-NAN HSIEH* Director</p> <p>Citizenship: R.O.C.</p> <p><i>*Resigned as of November 13, 2012</i></p> | <p>58</p> | <p>11 yrs.</p> | <p>11 yrs.</p> | <ul style="list-style-type: none"> • Senior Vice-President- President Chain Store Corporation; • Chairman- Q-ware Communications Co., Ltd.; Q-ware Systems & Services Corp.; Rakuten Taiwan Co., Ltd. • Director - Ren-Hui Investment Corp.; Capital Inventory Services Corp.; Wisdom Distribution Service Corp.; Uni-President Cold-Chain Corp.; President Information Corp.; Bank Pro E-Service Technology Co., Ltd.; Books.com. Co., Ltd.; Rakuten Taiwan Co., Ltd.; President Musashino Corp.; Retail Support International Corp.; Q-ware Systems & Services Corp.; Retail Support Taiwan Corp.; President Logistics International Corp.; Chieh-Shuen Logistics International Corp.; Philippine Seven Corp.; President Chain Store (Hong Kong) Holdings Limited; Shenzhen Cosmed-Livzon Pharmacy Chain Store Co., Ltd.; President |

| | | | | |
|----------------------------------------------------------------------------------------------------------------|----|----------------------|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | | <ul style="list-style-type: none"> Being Corp.; President Chain Store (Shanghai) Ltd. President- Books.com. Co., Ltd. Bachelor degree of Business Administration |
| <p>WEN-CHI WU Director</p> <p>Citizenship: R.O.C.</p> | 43 | 4 yrs. and 6 mos. | 4 yrs. and 6 mos. | <ul style="list-style-type: none"> Chief Financial Officer – President Chain Store Corporation Director – Philippine Seven Corp.; PCSC Afternoon Tea Cayman Ltd. President Investment Trust Corp.; Supervisor – Muji (Taiwan) Co., Ltd.; Books.com. Co., Ltd.; Rakuten Taiwan Co., Ltd.; Mister Donut Taiwan Corp.; President Coffee Corp.; Q-ware Systems & Services Corp.; President Information Corp.; Integrated Marketing Communications Co.; Ren Hui Investment Corp.; President Chain Store (Shanghai) Ltd.; PCSC Afternoon Tea Shanghai Ltd.; Shanghai President Starbucks Coffee Corp.; President (Shanghai) Health Product Trading Company Ltd.; President Drugstore Business Corp.; Mech-President Corp.; President Pharmaceutical Corp.; President Transnet Corp.; President Collect Services Co., Ltd.; Uni-President Department Store Corp.; President Coffee Corp.; Pet Plus Co., Ltd. School of Accountancy in University of Missouri in Columbia |
| <p>JUI-TANG CHEN* Director</p> <p>Citizenship: R.O.C.</p> <p><i>*Elected as of November 13, 2012</i></p> | 55 | 2 mos. | 2mos. | <ul style="list-style-type: none"> President – President Chain Corporation; Ren-Hui Investments Corp. Chairman – President Drugstore Business Corp.; President Yilan Art and Culture Corp.; President Transnet Corp.; President Collect Services Co.Ltd.; Muji (Taiwan) Co., Ltd; Retail Support International Corp.; President Musashino Corp.; Ren-Hui Investment Corp. Director – Philippine Seven Corp.; President Chain Store Corporation; President Chain Store (Hong Kong) Holdings Limited; President Coffee (Cayman) Holdings Ltd.; Uni-President Department Store Corp.; President Being Corp.; 21 Century Enterprise Co. Ltd.; President Coffee Corp.; Wisdom Distribution Service Corp.; Uni-President Cold-Chain Corp.; President International Development Corp.; President Chain Store (Shanghai) Ltd.; Shan Dong President Yinzuo Commercial Limited; Shanghai President Starbucks Coffee Corp.; Nanlien International Corp. BA, Dept of Economics, National Taiwan University |
| <p>MAO-CHIA CHUNG* Director</p> <p>Citizenship: R.O.C.</p> <p><i>*Elected as of November 13, 2012</i></p> | 54 | 2 mos. | 2 mos. | <ul style="list-style-type: none"> Senior Vice President – President Chain Store Corporation Chairman – Capital Inventory Services Corp.; President Information Corp.; President Chain Store Corporation; Insurance Brokers Co., Ltd.; President Chain Store Good Neighbor Foundation Director – Philippine Seven Corp.; President Drugstore Business Corp.; President Being Corp.; Presidentt Pharmaceutical Corp.; Books.com Co., Ltd.; Q-ware Systems & Services Corp.; Bank Pro E-Service Technology Co., Ltd.; Integrated Marketing Communications Co.; Presicarre Corp.; PK Venture Capital Corp.; President Chain Store (Shanghai) Ltd.; President (Shanghai) Health Product Training Company Ltd.; Presiclrec Limited; President Pharmaceutical (Hong Kong) Holdings Limited. Department of International Trade, Feng Chia University |
| <p>LIEN-TANG HSIEH* Director</p> <p>Citizenship: R.O.C.</p> <p><i>*Elected as of November 13, 2012</i></p> | 52 | 2 mos. | 2 mos. | <ul style="list-style-type: none"> Vice President – President Chain Store Corporation Director – Philippine Seven Corp.; Duskin Serve Taiwan Co.; Uni-President Cold-Chain Corp.; President Baseball Team Corp. Supervisor – Capital Inventory Services Corp. Department of Business Administration, Chinese Culture University |

| | | | | |
|----------------------------------------------------------------------------|----|-----------------|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PING-HUNG CHEN Treasurer & CFO Citizenship: R.O.C. | 38 | 11 mos. | 11 mos. | <ul style="list-style-type: none"> • Treasurer & CFO- Philippine Seven Corporation • Head of Investment Management – President Chain Store Corporation • Head of Investor Relations – President Chain Store Corporation • Financial Planning Specialist – President Chain Store Corporation • Degree in Economics TungHai University; • Holds an MBA in National Kaoshiung First University of Science and Technology |
| EVELYN SADSAD-ENRIQUEZ Corporate Secretary Citizenship: Filipino | 49 | 9 yrs. & 5 mos. | 23 yrs. | <ul style="list-style-type: none"> • Legal and Corporate Services Division Mgr. - Philippine Seven Corporation • Compliance Officer- Philippine Seven Corporation • Corporate Secretary - Convenience Distribution Inc.; Store Sites Holding, Inc.; Ferguson Park Tower Condominium Corporation, PhilSeven Foundation, Inc., Sterling Fluid Systems Enterprises, Inc. • President – Columbia Owners’ Association Inc. • BS Economics, University of Santo Tomas • Bachelor of Laws (cum laude), University of Santo Tomas Faculty of Civil Law |

b) *The Executive Officers*

As of December 31, 2012, the Executive Officers and Management of the Corporation are the following:

| Executive Officers | Name |
|----------------------------------------------------------------------------------------|---------------------------|
| Honorary Chairman of the Board | Chin-Yen Kao |
| Chairman of the Board | Vicente T. Paterno |
| Vice-Chairman of the Board | Nan-Bey Lai |
| President & CEO | Jose Victor P. Paterno |
| Treasurer & CFO | Ping-Hung Chen |
| Operations Director and Concurrent Marketing Director | Ying-Jung Lee |
| Corporate Secretary, Compliance Officer Legal & Corporate Services Division Manager | Atty. Evelyn S. Enriquez |
| Finance & Accounting Services Division Manager | Lawrence M. De Leon |
| Corporate Planning Manager | Chao-Shun Tseng |
| Operations Division Manager | Liwayway T. Fernandez |
| Business Development Division Manager | Francis S. Medina |
| General Merchandise Division Manager | Jose Ang, Jr. |
| Strategic Merchandise Division Manager | Armi A. Cagasan |
| Procurement Division Manager | Eduardo P. Bataclan |
| Human Resources and Administration Division Manager | Violeta B. Apolinario |
| Management Information Division Manager | Jason Jan Ngo |
| Internal Audit Division Manager | Maria Celina D. De Guzman |

c) *Significant Employees*

Other than aforementioned Directors and Executive Officers identified in the item on Directors and Executive Officers in this Annual report, there are no other employees of the Company who may have a significant influence in the Company’s major and/or strategic planning and decision-making.

d) *Family Relationships*

9. Mr. Jose Victor P. Paterno, President of PSC and concurrent Chairman and President of Convenience Distribution Inc. (CDI), a wholly owned subsidiary of PSC, is the son of PSC Chairman of the Board, Mr. Vicente T. Paterno.
10. Ms. Diana P. Aguilar, director of PSC, is related to PSC Chairman, Mr. Paterno, by affinity within the 3rd degree.
11. Mr. Raymund Aguilar, Director of Gate Distribution Enterprises, Inc. and President of EC Payment Network Inc., a supplier of the Company, is the spouse of Ms. Diana P. Aguilar

e) *Independent Directors*

The independent directors, Mr. Antonio Jose U. Periquet, Jr. and Mr. Michael B. Zalamea are not officers or substantial shareholders of Philippine Seven Corporation nor are they the directors or officers of its related companies.

f) *Litigation*

To the knowledge and/or information of the Company, the above-named directors of the Company, the present members of its Board of Directors and its Corporate Officers are not, presently or during the past 5 years, involved or have been involved in any material legal proceeding affecting/involving themselves or their property before any court of law or administrative body in the Philippines or elsewhere. Likewise, to the knowledge and/or information of the Company, the said persons have not been convicted by any final judgment of any offense punishable by the laws of the Republic of the Philippines or the laws of any nation/country.

g) *Pending Legal Proceedings*

The Company is a party to certain litigations involving minor issues, from time to time, before the Department of Trade and Industry, employees suing for illegal dismissal, back wages and damage claims, claims arising from store operations and as co-respondents with manufacturers on complaints with BFAD, actions on leases for specific performance and other civil claims. The Company also filed criminal cases against employees and other persons arising from theft, estafa and robbery; civil claims for collection of sum of money, specific performance and damages. All such cases are in the normal course of business and are not deemed or considered as material legal proceeding as stated in Part I, Paragraph (C) of "Annex C" of SEC checklist 17-A.

h) *Qualification of Directors*

To the knowledge and/or information of the Company, the above-named directors have all the qualifications and none of the disqualifications as provided in the Company's Manual on Corporate Governance and the revised Securities Regulation Code.

i) *Certain Relationships and Related Transactions*

The Company (or "PSC") executed a licensing agreement with Seven Eleven, Inc. (SEI), of Texas, USA granting the exclusive right to use the 7-Eleven System in the Philippines and the Company pays, among others, royalty fee to SEI. SEI is also a stockholder in PSC and holds 0.39% of PSC's outstanding stocks.

PSC has transactions with PhilSeven Foundation, Inc. (PFI), a foundation with common key management of the Company. PSC has a MOU with PFI whereby the latter supports the CSR program of PSC in the communities where its 7-Eleven stores are located. The MOU also provides the pledge of PSC to donate ½ of 1% of its net income before tax to support PFI's programs.

The Company has warehousing and distribution management contract with Convenience Distribution Inc. (CDI), its wholly-owned subsidiary. The Chairman of the Board and President of CDI, Mr. Jose Victor Paterno, is the son of Mr. Vicente Paterno, the Chairman of the Board of PSC.

Store Sites Holdings, Inc. is a landholding company affiliated with PSC and it leases on long term basis certain parcels of land to PSC for its operation of 7-Eleven Stores.

The Company, from time to time, makes purchases of equipment from President Chain Store Corporation (and its subsidiaries/affiliates), which is the parent company of President Chain Store (Labuan) Holding Ltd., holding 51.56% of PSC's outstanding shares. Certain products are also purchased from Uni-President Corporation, which is the parent company of President Chain Store Corporation.

The Company have lease and/or sublease agreements with Wenphil Corporation and Progressive Development Corporation for commercial spaces in excess of the requirements of the Company for its 7-Eleven stores, and supply arrangement for certain products/services carried by the stores with Gate Distribution Enterprises Inc.(GATE) and Electronic Commerce Payments Network Inc. (ECPAY). Ms. Diana P. Aguilar, director of the company, is a Director of Wenphil Corporation (owner of Wendy's Philippine franchise) and GATE, Director and CFO of ECPAY. She is also the wife of Mr. Raymund Aguilar, a Director

of GATE and President of ECPAY which is the supplier of physical and electronic phone cards (e-pins) of the company and the system provider for e-pins and bills payment. Mr. Jorge L. Araneta, also a director of the Company, is the Chairman and President of Progressive Development Corporation (owner of Pizza Hut Philippine franchise).

j) Election of Directors

The directors of the Company are elected at the Annual Stockholders' Meeting to hold office for one (1) year and until their respective successors have been elected and qualified.

k) Independent Directors

The independent directors of the Company are Mr. Michael B. Zalamea and Mr. Antonio Jose U. Periquet, Jr. Their shareholdings in the Corporation are less than 2% of the Corporation's outstanding capital stock pursuant to Section 38 of the SRC. A brief description of the business experiences of Mr. Michael B. Zalamea and Mr. Antonio Jose U. Periquet, Jr. is included in Item 9 Part III of this report.

Nomination Procedure:

1. A stockholder may recommend the nomination of a director to the Nomination Committee;
2. The nominating stockholder shall submit his proposed nomination in writing to the Nomination & Governance Committee, together with the acceptance and conformity of the would-be nominee.
3. The Nomination & Governance Committee shall screen the nominations of directors prior to the stockholders' meeting and come up with the Final List of Candidates.
4. Only nominees whose names appear in the Final List of Candidates shall be eligible for election as independent director.

Item 10. Executive Compensation

| (a) Name/Position | (b) Year | (c) Salaries | (d) Bonus | (e) Others |
|---------------------------------------------------------|-------------|-----------------|--------------|---------------|
| Chairman and Top 4 | | | | |
| Vicente T. Paterno Chairman of the Board | | | | |
| Jose Victor P. Paterno President & CEO | | | | |
| Jose Ang, Jr. General Merchandise Division Manager | | | | |
| Francis Medina Business Development Division Manager | | | | |
| Lidayway Fernandez Operations Division Manager | | | | |
| Total | 2013 | 6,275,974.68 | 7,086,112.03 | N/A |
| | 2012 | 6,621,039.08 | 6,379,554.44 | |
| | 2011 | 4,940,936.40 | 5,133,368.49 | |
| | 2010 | 5,713,173.16 | 6,486,091.13 | |
| | 2009 | 5,426,112.36 | 6,369,768.51 | |
| All other Officers and Directors as a Group Unnamed | 2013 | 7,553,463.04 | 5,672,367.59 | N/A |
| | 2012 | 7,720,485.56 | 7,690,127.17 | |
| | 2011 | 7,762,145.04 | 6,319,126.01 | |
| | 2010 | 5,980,927.24 | 5,713,034.49 | |
| | 2009 | 5,497,840.32 | 5,492,966.49 | |

• *Estimated compensation of director and executive officers for the ensuing year.*

The Company has certain standard arrangements with respect to compensation and profit sharing. Per diems of ₱ 7,500.00 (as may be fixed by the Board from time to time) are given for every regular or special meeting of the Board, Executive Committee and Board Committees attended.

The company established a policy effective January 01, 2012 to provide guidelines for director's fee to be provided to Independent Directors. As a director and member of the Board, the Independent Director shall be entitled to an annual director's fee of ₱ 100,000.00, as Chairman of any Board Committees, the Independent Director shall be entitled to an annual director's fee of ₱ 150,000.00, as a member of any Board Committees, the Independent Director shall be entitled to an annual director's fee of ₱ 50,000.00. The independent director shall also be entitled to per diem of ₱ 7,500.00 for every meeting attended.

In addition to per diems, profit sharing is provided in the Code of By-laws in an amount not exceeding 15% of the net profits of the Corporation (after tax), which shall be distributed to the members of the Board of Directors and Executive Committee members and officers of the Corporation in such amounts and manner as the Board may determine. Profit share not exceeding 15% of net profits after tax of the Corporation shall be submitted to stockholders for approval. The last profit sharing in 1996 was set at 5% of net income after tax thereon. The directors and the executive officers did not receive any profit sharing in the years after 1996. In 2009, Target Incentive for Support Personnel and Annual Performance Bonus were granted based on achievement rate of target pre-tax income. These are provided to regular employees and executive officers of the Corporation.

There are no existing options, warrants or stock plan arrangements and none are held by the directors, executive and corporate officers of the Corporation.

Item 11. Security Ownership of Certain Beneficial Owners and Management

1. Security Ownership of Certain Record and Beneficial Owners.

As of March 31, 2013 the following are the record and beneficial owners of more than 5% of registrant's voting securities:

| Title of Class | Name and Address of Record/Beneficial Owner | Citizenship | Relationships of the record owner's representative with the issuer and said owner | Amount and Nature of Record/Beneficial Ownership | Percent of Outstanding Common Stock as of Dec. 31, 2012 |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------------------------------------------------------------------------------|------------------------------------------------------|---------------------------------------------------------|
| Common | President Chain Store (Labuan) Holding, Ltd. ¹ 7(E), Main Tower, Financial Park, Labuan, Malaysia | Malaysian | Stockholder | 205,544,409 (R) | 51.56% |
| Common | Arisaig Asia Consumer Fund Limited Craigmuir Chambers, P.O. Box 71 Road Town, Tortola British Virgin Islands | BVI | Stockholder | 41,756,833 | 10.47% |
| Common | Vicente Paterno ³ And children 16 Hidalgo Place, Hidalgo Village Rockwell, Makati City | Filipino | Chairman /Stockholder | 1,220,237 (R) <u>32,358,795 (B)</u> 33,579,032 | 0.31% <u>8.12%</u> 8.42% |
| Common | Asian Holdings Corporation ² 4 th Floor, Uni-Oil Bldg., Commerce Ave. cor. Acacia St., Madrigal Business Park, Ayala Alabang, Muntinlupa City | Filipino | Stockholder | 26,784,047 (R) | 6.72% |

Footnotes:

¹ Mr. Chang-Sheng Lin of President Chain Store (Labuan) Holding, Ltd. has the voting power in behalf of the Corporation

² Ms. Elizabeth Orbeta or Ms. Diana P. Aguilar has the voting power in behalf of Asian Holdings Corp.

³ Mr. Vicente T Paterno has the power of attorney to vote the 32,358,795 shares of his children: Ma. Cristina Paterno-7,189,210; Jose Victor Paterno- 10,420,327; Paz Pilar P. Benares -4,926,931 ; Ma. Elena P. Locsin-6.054,377; Ma. Theresa P. Dickinson-3,767,950

⁴ Ms. Rebecca Lewis of Arisaig Asia Consumer Fund Limited has the voting power in behalf of the Corporation

2. Security Ownership of Management as of March 31, 2013

| Title of Class | Name of Beneficial Owner | Amount & Nature of Beneficial Ownership | Citizenship | Percent of Class |
|----------------|-------------------------------|------------------------------------------------------|-------------|--------------------------------|
| Common | Vicente T. Paterno | 1,220,237 (R) <u>32,358,795 (B)</u> 33,579,032 | Filipino | 0.31% <u>8.12%</u> 8.42% |
| Common | Jose Victor P. Paterno | 10,420,327 ¹ | Filipino | 2.61% |
| Common | Jorge L. Araneta | 1 ³ | Filipino | 0.00% |
| Common | Diana P. Aguilar | 1 ³ | Filipino | 0.00% |
| Common | Antonio Jose U. Periquet, Jr. | 1 ³ 806,094 ² 806,095 | Filipino | 0.20% |
| Common | Michael B. Zalamea | 1 ³ | Filipino | 0.00% |
| Common | Jui-Tang Chen | 1 ³ | R.O.C. | 0.00% |
| Common | Mao-Chia Chung | 1 ³ | R.O.C. | 0.00% |
| Common | Nan-Bey Lai | 1 ³ | R.O.C. | 0.00% |
| Common | Wen-Chi Wu | 1 ³ | R.O.C. | 0.00% |
| Common | Lien-Tang Hsieh | 1 ³ | R.O.C. | 0.00% |
| Common | Evelyn Sadsad-Enriquez | 3,107 ² | Filipino | 0.0008% |
| Common | Liwayway T. Fernandez | 4,438 ² | Filipino | 0.0011% |

¹ Shares directly owned by Vicente T. Paterno is 1,220,237 which is 0.31%, and he has power of attorney for 32,358,795 shares held by his 5 children including above shares of Jose Victor Paterno – 10,420,327 (2.61%)

² Directly owned shares

³ Qualifying shares

3. Power of Attorney to vote shares of 5% or more

Mr. Vicente T. Paterno, Chairman of the Board, has the power of attorney for 32,358,795 shares or 8.12% owned/registered in the name of his children: Jose Victor P. Paterno – 10,420,327 shares; Ma. Theresa P. Dickinson – 3,767,950 shares; Paz Pilar P. Benares – 4,926,931 shares; Ma. Cristina P. Paterno – 7,189,210 shares and Ma. Elena P. Locsin – 6,054,377 shares.

Item 12. Certain Relationships and Related Transactions

The Company (or "PSC") executed a licensing agreement with Seven Eleven, Inc. (SEI), of Texas, USA granting the exclusive right to use the 7-Eleven System in the Philippines and the Company pays, among others, royalty fee to SEI. SEI is also a stockholder in PSC and holds 0.39% of PSC's outstanding stocks.

PSC has transactions with PhilSeven Foundation, Inc. (PFI), a foundation with common key management of the Company. PSC has a MOU with PFI whereby the latter supports the CSR program of PSC in the communities where its 7-Eleven stores are located. The MOU also provides the pledge of PSC to donate ½ of 1% of its net income before tax to support PFI's programs.

The Company has warehousing and distribution management contract with Convenience Distribution Inc. (CDI), its wholly-owned subsidiary. The Chairman of the Board and President of CDI, Mr. Jose Victor Paterno, is the son of Mr. Vicente Paterno, the Chairman of the Board of PSC.

Store Sites Holdings, Inc. is a landholding company affiliated with PSC and it leases on long term basis certain parcels of land to PSC for its operation of 7-Eleven Stores.

The Company, from time to time, makes purchases of equipment from President Chain Store Corporation (and its subsidiaries/affiliates), which is the parent company of President Chain Store (Labuan) Holding Ltd., holding 51.56% of PSC's outstanding shares. Certain products are also purchased from Uni-President Corporation, which is the parent company of President Chain Store Corporation.

The Company have lease and/or sublease agreements with Wenphil Corporation and Progressive Development Corporation for commercial spaces in excess of the requirements of the Company for its 7-Eleven stores, and supply arrangement for certain products/services carried by the stores with Gate Distribution Enterprises Inc.(GATE) and Electronic Commerce Payments Network Inc. (ECPAY). Ms. Diana P. Aguilar, director of the company, is a Director of Wenphil Corporation (owner of Wendy's Philippine franchise) and GATE, Director and CFO of ECPAY. She is also the wife of Mr. Raymund Aguilar, a Director of GATE and President of ECPAY which is the supplier of physical and electronic phone cards (e-pins) of the company and the system provider for e-pins and bills payment. Mr. Jorge L. Araneta, also a director of the Company, is the Chairman and President of Progressive Development Corporation (owner of Pizza Hut Philippine franchise).

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

1. Election of independent Directors
In April 2002 the Company disclosed to the SEC that it has complied with the requirement to elect independent directors.
2. Manual of Corporate Governance
In August 2002, the Board of Directors approved the adoption of its Manual of Corporate Governance.
3. Creation of Board Committees: Audit, Nomination and Compensation
In July 2002, the Board has constituted the abovenamed committees and appointed their members to enable them to organize and perform the functions as provided in the Manual of Corporate Governance.
4. Compliance with the designation of a Compliance Officer
5. Corporate Governance Self-Rating Form
The Corporation has submitted to SEC its Corporate Governance Self Rating Form on July 2003.

6. In 2004, amendment of the Code of By-Laws of the Corporation to include the procedure for electing independent directors pursuant to SEC Circular No. 16, Series of 2002, and the revised Implementing Rules and Regulations of the Securities Regulation Code.
7. Yearly issuance of Certifications by Compliance Officer
Compliance Officer submits every January of each year to the SEC its certifications on substantial compliance with leading practices and principles on good corporate governance, and the attendance at board meetings by the directors.
8. July 2007- Inclusion of the Governance Committee in the Nomination Committee to form Nomination & Governance Committee.
9. Accomplished and submit the 2007 Corporate Governance Scorecard and Survey Form as per SEC Memo Circular No. 2 dated 09 August 2007.
10. August 07, 2008 - Holding of Corporate Governance seminar conducted by Sycip Gorres Velayo & Company to all executive officers and senior management of the Corporation.
11. October 2007 – Creation of PhilSeven Foundation Inc. to support the CSR program of PSC.
12. November 10, 2008- Submission of 2008 Corporate Governance Scorecard for Publicly Listed Company to SEC.
13. January 2009- Submission to SEC on Disclosure on Directors' Attendance in Corporate Governance Seminar and amendment to Manual of Corporate Governance to include attendance to such training prior to assumption to office by a director.
14. March 26, 2009 – participated in Corporate Governance Scorecard survey sponsored by Asian Institute of Management.
15. December 18, 2009- Submission of 2009 Corporate Governance Scorecard for Publicly Listed Company to SEC.
16. August 24, 2009 - Adoption of Code of Ethics
17. July 29, 2010 - Adoption of Self-rating scorecard for directors and the Board
18. November 15, 2010 - Submission of Online Corporate Governance Scorecard to Institute of Corporate Directors
19. January 28, 2011- Accomplished and submitted PSE Corporate Governance Disclosure Survey Form for 2010
20. February 11, 2011- Revised Internal Audit Charter
21. January 21, 2011 – Submission and compliance of minimum public float pursuant to PSE Memorandum
22. September 15, 2011- Became signatory to the Integrity Pledge: A commitment to ethical business practices and good corporate governance
23. October 18, 2011 – Execution of Memorandum of Understanding (MOU) between Philippine Seven Corporation (PSC) and PhilSeven Foundation (PFI) providing that PFI shall implement the CSR programs of PSC and PSC has committed to donate each year to PFI ½ of 1% of PSC's annual net income before tax.
24. December 05, 2011 – Participation in the Corporate Governance Scorecard of the Institute of Corporate Directors (ICD)
25. January 01, 2012- Issued Policy on Director's Fee for Independent Directors
26. February 08, 2012- Accomplishment of Self Assessment Forms for the Board of Directors and Directors
27. March 21, 2012- Accomplished and submitted PSE Corporate Governance Disclosure Survey Form for 2011

28. May 2012- PSC recognized as Silver Awardee for the ICD 2011 Corporate Governance Scorecard
29. August 30-31, 2012- Attended a Seminar on Enterprise Risk Management: Robust framework to identify, assess and manage risks
30. September 11, 2012- Attended ASEAN CG Scorecard Launch by Institute of Corporate Directors
31. September 30, 2012- Adoption of Audit Committee Charter and an evaluation process to assess the Committees performance
32. January 01, 2013- Adopted the Insider Trading Policy (Trading Blackouts)
33. January 30, 2013- Accomplished and submitted PSE Corporate Governance Disclosure Survey Form for 2012
34. March 5, 2013- Attended FORUM 11: SEC Reforms to Strengthen an Ethical and Competitive Business Environment
35. March 20, 2013- Attended ASEAN CG Scorecard Information Briefing by Institute of Corporate Directors

Plans on Improvement

1. The Corporation shall continue with setting up an evaluation procedure to measure compliance with the Manual of Corporate Governance:
 - a. Develop a Corporate Governance Evaluation form and conduct periodic compliance survey;
 - b. Obtain external and internal audit findings on effectiveness of oversight of Company's accounting and financial processes;
 - c. Monitor Board and other Committees minutes and attendance;
 - d. Develop compliance review system with risks owners.
2. Provide workshop/seminars to operationalize the Manual, evaluation system and compliance review as part of the Company's training program
3. The Corporation shall continue to adopt the International Accounting Standards as they are approved as Philippine Accounting Standards.

PART V – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

Copies of the reports listed below were submitted to SEC:

| <u>Date</u> | <u>Items Reported</u> |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| February 10, 2012 | Item 4: Resignation of Executive Officer |
| February 10, 2012 | Item 4: Appointment of New Chief Financial Officer |
| May 17, 2012 | Item 9: Other Events (Annual Meeting Date and Record Date) |
| July 25, 2012 | Item 4: Election of Registrant's Directors and Officers (Election of Corporate Officers and Committees) |
| | Item 9: Other Events (Annual Stockholder's Meeting on approval and confirmation of Increase in Authorized Capital Stock, Amendment of Article Seventh of Corporation's Amended Articles of Incorporation, Stock Dividend Declaration, Record Date for Entitlement of Stock Dividend and Payment Date) |
| October 03, 2012 | Item 9: Other Events (Audit Committee Charter) |
| November 13, 2012 | Item 4: Resignation of Registrant's Directors or Officers |
| November 13, 2012 | Item 4: Election of Registrant's Directors or Officers |
| December 06, 2012 | Item 9: Other Events (Update on Shareholdings of Directors and Corporate Officers) |

SIGNATURES

Pursuant to the requirements of Section 17 of the SRC and Section 141 of the Corporation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Mandaluyong on _____, 2013.


PHILIPPINE SEVEN CORPORATION

Issuer

Pursuant to the requirements of the Securities Regulation Code, this annual report has been signed by the following persons in the capabilities and on the dates indicated.

By:

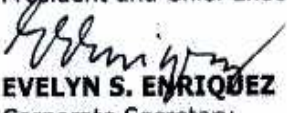
Board of Directors


VICENTE T. PATERNO
Chairman of the Board


PING-HUNG CHEN
Chief Financial Officer and Treasurer


LAWRENCE M. DE LEON
Finance Division Manager


JOSE VICTOR P. PATERNO
President and Chief Executive Officer


EVELYN S. ENRIQUEZ
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 11 day of APR 11 2013 2013 affiants exhibiting to me their TIN/SSS/Passport No., as follows:

| NAME | T.I.N./SSS./PASSPORT NO. | DATE/PLACE OF ISSUE |
|------------------------|--------------------------|---------------------------------------|
| Vicente T. Paterno | T.I.N 100-133-885 | |
| Jose Victor P. Paterno | T.I.N 132-688-472 | |
| Ping-Hung Chen | 213380861/TIN 18-547-911 | November 18, 2005/R.O.C Taipei Taiwan |
| Lawrence M. De Leon | SSS- 03-7284850-5 | |
| Evelyn S. Enriquez | SSS-0-372-848-505 | |

Doc. No. 4
Page No. 14
Book No. 14
Series of 2013.


ATTY. RAMON C. CARIPIO
NOTARY PUBLIC
IBP No. 123456789
RMB No. 123456789
MCLE # IV-20063001 / 12/12 PASIG CITY
PTR # 8410181, 1/2/13 PASIG CITY

Appendix "A"

List of Leased Properties for the 7-Eleven Stores operational as Corporate and under a Franchise Agreement

| | | |
|----|------------------------|-----------------------------------------------------------------|
| 1 | 002 BF Homes ^^ | <i>Pres. Ave., BF Homes Parañaque</i> |
| 2 | 003 Libertad ^^ | <i>Libertad cor., F.B. Harrison, Pasay</i> |
| 3 | 004 Nagtahan ^^ | <i>Nagtahan Cor. J.P. Laurel, Sta. Mesa Manila</i> |
| 4 | 005 U.N. Ave ^^ | <i>900 U.N. Ave., Ermita, Manila</i> |
| 5 | 007 Quiapo ^^ | <i>465 Quezon Blvd., Quiapo, Manila</i> |
| 6 | 008 Adriatico ^^ | <i>Adriatico cor., P. Faura, Manila</i> |
| 7 | 010 Muñoz | <i>Roosevelt Ave, nr. Cor. EDSA-Muñoz, Q.C.</i> |
| 8 | 011 Airport ^^ | <i>Quirino Ave., cor. Airport Road Parañaque</i> |
| 9 | 012 Roces ^^ | <i>A. Roces St. cor. Quezon Ave., Q.C.</i> |
| 10 | 016 RJ-Makati ** | <i>7849 Gen. Luna St. cor. Makati Avenue, Makati City</i> |
| 11 | 017 Buendia ** | <i>Sen. Gil Puyat Ave. cor. Taft Ave., Manila</i> |
| 12 | 020 Boni-EDSA | <i>Boni Avenue cor., EDSA Mandaluyong City</i> |
| 13 | 022 Retiro | <i>Retiro cor. Dimasalang, Manila</i> |
| 14 | 024 Paco1 ^^ | <i>Pedro Gil St., Paco, Manila</i> |
| 15 | 030 Burgos ^^ | <i>Libertad St., cor. Burgos St., Pasay City</i> |
| 16 | 031 Barangka | <i>Boni Ave., Barangka Drive, Mandaluyong</i> |
| 17 | 032 Maypajo ^^ | <i>J.P. Rizal St., cor. Ambini St., Maypajo, Caloocan City</i> |
| 18 | 033 Dapitan | <i>Maceda cor. Dapitan St., Sampaloc, Manila</i> |
| 19 | 035 Pasig Church ** | <i>Caruncho Ave., cor. Sixto Ave., Pasig</i> |
| 20 | 036 JRC ^^ | <i>Shaw Blvd. cor Kalentong St., Mandaluyong City</i> |
| 21 | 037 Nova1 ^^ | <i>Gen. Luis St, cor. Austria St., Novaliches, Q.C.</i> |
| 22 | 038 Pilar ^^ | <i>Alabang Zapote Rd., Pilar Rd., Alamansa</i> |
| 23 | 039 MCU ** | <i>Edsa cor. Asuncion St., Monumento, Caloocan City</i> |
| 24 | 040 Almeda ^^ | <i>Concepcion cor. Almeda, San Joaquin, Pasig City</i> |
| 25 | 041 Marulas | <i>Mc Arthur Hi-way cor. Pio del Pilar, Valenzuela, Manila</i> |
| 26 | 043 Malibay ^^ | <i>EDSA cor. C. Jose St., Malibay, Pasay City</i> |
| 27 | 044 Bacoor ^^ | <i>G.E. Aguinaldo Hi-way cor. Talaba, Bacoor</i> |
| 28 | 045 Gagalangin ^^ | <i>Juan Luna cor., Pampanga St., Gagalangin Tondo, Manila</i> |
| 29 | 046 Pandacan | <i>Jesus cor., Labores St., Pandacan, Manila</i> |
| 30 | 047 Singalong ^^ | <i>Singalong St., cor., san Andres, Malate Manila</i> |
| 31 | 051 Alabang 1 | <i>Montillano St., West Service Road, Alabang</i> |
| 32 | 054 Munti1 | <i>Rizal St. cor. National Road, Poblacion, Muntinlupa</i> |
| 33 | 056 Evangelista ^^ | <i>Pio del Pilar cor. Evangelista, Makati</i> |
| 34 | 057 Commonwealth | <i>Tandang Sora Ave., cor. Commonwealth Ave., Q.C.</i> |
| 35 | 060 Cainta Junction ^^ | <i>A. Bonifacio St., cor. Ortigas Ave., Ext., Cainta, Rizal</i> |
| 36 | 059 Revilla | <i>EDSA cor. C. Revilla St., Pasay City</i> |
| 37 | 063 Guadalupe 1 ^^ | <i>EDSA nr. cor. R. Magsaysay, Guadalupe, Makati</i> |
| 38 | 064 Masinag ^^ | <i>Marcos Highway cor. Sumulong Highway, Antipolo, Rizal</i> |
| 39 | 065 Road 8 ^^ | <i>Road 8 cor. Visayas Ave., Proj. 6, Q.C.</i> |
| 40 | 066 MH del Pilar ** | <i>A. Flores St., M.H. del Pilar, Ermita, Manila</i> |
| 41 | 067 StJames | <i>Tandang Sora Ave., cor. Mindanao Avenue, Q.C.</i> |
| 42 | 068 Murphy ^^ | <i>15th Ave. cor. Liberty Ave., Murphy, Cubao, Q.C.</i> |
| 43 | 069 PCU ^^ | <i>Pedro Gil St. cor. L. Guinto St., Malate, Manila</i> |
| 44 | 071 A. Bonifacio ^^ | <i>A. Bonifacio St., cor. Shaw Blvd., Mandaluyong City</i> |
| 45 | 072 Calamba 1 ^^ | <i>National Highway cor. J.P. Rizal</i> |
| 46 | 075 Antipolo Church ** | <i>P. Oliveros St. cor Masangkay Rd., Antipolo, Rizal</i> |
| 47 | 074 Canaynay | <i>Dr. A. Santos Ave., cor. Canaynay Ave., Parañaque</i> |
| 48 | 076 Pasig Rotonda ** | <i>Pasig Blvd. cor. Sixto Antonio, Pasig City</i> |
| 49 | 078 Bruger ^^ | <i>National Rd., Bruger St., Bruger Subd., Muntinlupa City</i> |

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|----|------------------------|--------------------------------------------------------------------|
| 50 | 080 Marcelo ^^ | West Service Road cor. Marcelo Ave., Parañaque |
| 51 | 082 San Antonio | Sucat Rd. cor San Antonio Ave., Parañaque |
| 52 | 085 Harrison ^^ | F.B. Harisson St. cor. Vito Cruz, Manila |
| 53 | 086 Tayuman ^^ | Tayuman St. cor. Rizal Ave., Manila |
| 54 | 087 Imus ** | Aguinaldo Highway cor. Tanzang Luma, Imus Cavite |
| 55 | 088 Antip1Cir ** | Circumferential Rd. cor. M.L. Quezon St., Anipolo, Rizal |
| 56 | 090 Bangkal | Evangelista cor. Alejandrino St., Bangkal, Makati |
| 57 | 091 San Pedro1 | Maharlika St. cor. National Highway, San Pedro, Laguna |
| 58 | 093 Meycauyan2 ^^ | Mc Arthur Hi-way cor. Malhakan Rd., Meycauyan, Bulacan |
| 59 | 096 San Pedro2 ^^ | A. Mabini St. cor. Garcia St. San Pedro, Laguna |
| 60 | 097 Cavite City ^^ | Cajigas St. cor. Burgos St., Cavite City |
| 61 | 098 Ylaya | Ylaya St. cor. Lakandula St., Binondo, Manila |
| 62 | 099 Dasma1 | P. Campos cor. Cantimbuhan St., Dasmariñas, Cavite |
| 63 | 100 Balibago ** | National Highway cor. R. Lasaga St., Balibago |
| 64 | 101 Blumentritt2 | Blumentritt St. cor. Isagani St. Sampaloc, Manila |
| 65 | 102 Hermosa | J. Abad Santos Ave., cor. Hermosa St., Tondo, Manila |
| 66 | 103 Kabihasanan | Kabihasanan St. cor. San Dionisio Parañaque |
| 67 | 104 Galas ^^ | Unang Hakbang St., cor. Luzon Ave., Galas, Q.C. |
| 68 | 105 Lower Bicutan | Gen. Santos Avenue cor. M.L. Quezon St., Lower Bicutan |
| 69 | 106 Tamaraw Hills | Mc Arthur Hi-way cor. Tamaraw Hills, Marulas, Valenzuela |
| 70 | 107 Cabuyao ^^ | J.P. Rizal cor. Circumferencial Ave., Cabuyao, Laguna |
| 71 | 108 Chico ^^ | Chico St. cor. Anonas St., Proj. 2, Q.C. |
| 72 | 109 Remedios ^^ | Remedios St. cor. MH del Pilar, Malate, Manila |
| 73 | 111 Molino1 ^^ | Molino Rd., cor. Bahayang Pag-asa, Bacoor, Cavite |
| 74 | 112 San Pablo1 ^^ | Rizal Ave., cor. A. Flores St., San Pablo City |
| 75 | 113 Tanay | Plaza Rizal cor. P. Burgos, Tanay, Rizal |
| 76 | 114 Dasma2 ** | Mangubat St., cor. Aguinaldo Highway, Dasmariñas, Cavite |
| 77 | 115 Molino2 ^^ | Molino Rd., San Nicolas, Mambog, Bacoor, Cavite |
| 78 | 116 SaliRos | 193 Gen. Trias Drive, Rosario, Cavite |
| 79 | 118 GMA ** | Gov. Drive nr. cor. GMA Drive, Dasmariñas, Cavite |
| 80 | 119 Biñan2 | National Highway cor. Malvar St., Biñan, Laguna |
| 81 | 120 Balagtas | Mc Arthur Hi-way, Wawa, Balagtas, Bulacan |
| 82 | 121 Pulang Lupa ^^ | Quirino Ave., cor. Naga Rd., Pulang Lupa, Las Piñas |
| 83 | 122 BF Resort ^^ | Alabang Zapote rd. cor. BF Resort Drive, Pamplona |
| 84 | 123 Parang ** | G. del Pilar cor., M.L. Quezon, Parang, Marikina |
| 85 | 125 JP Ramoy | Quirino Highway cor. J.P. Ramoy, Barrio Talipapa, Novaliches, Q.C. |
| 86 | 126 Cainta Church ^^ | A. Bonifacio Avenue, San Andres, Cainta, Rizal |
| 87 | 127 Tatlong Hari ^^ | Rizal Blvd. nr. cor. Tatlong Hari St., Sta. Rosa, Laguna |
| 88 | 138 Lipa Proper ^^ | C.M. Recto Ave., Lipa, Batangas |
| 89 | 128 Los Baños | Batong Malaki National Highway, Los Baños, Laguna |
| 90 | 130 Binakayan ^^ | Gen. Tirona Highway cor. Bisita St., Binakayan, Kawit, Cavite |
| 91 | 131 Lipa Highway ^^ | G/F Big Ben Complex, Pres. Laurel Hi-way, Lipa, Batangas |
| 92 | 132 Trece ^^ | Gov. Drive cor. Indang, Tanza Rd., Trece Martirez, Cavite |
| 93 | 133 Tagaytay ** | Silang-Tagaytay Rd., Rotonda, Tagaytay, Cavite |
| 94 | 134 Molave Marikina ^^ | Bayan bayan Ave. cor. Molave St., Concepcion, Marikina |
| 95 | 135 Panapaan ^^ | Tirona Hi-way cor. Aguinaldo Hi-way, Panapaan, Cavite |
| 96 | 136 Apalit ^^ | San Vicente cor. David St., Mc Arthur Hi-way, Apalit, Pampanga |
| 97 | 137 San Pedro 3 | Pacita cor. Macaria Ave., San Pedro, Laguna |

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| 98 | 141 Camarin ^^ | Blk 1 Lot 18 & 20 Camarin cor. Susano Rd., Caloocan City |
| 99 | 142 Tanza | Sta. Cruz cor. San Augustine Poblacion , Tanza, Cavite |
| 100 | 144 Rev. Aglipay | Boni Ave., cor. A.T. Reyes Aglipay, Mandaluyong City |
| 101 | 145 Naic ^^ | Poblete St., cor. Nazareno St., Poblacion, Naic, Cavite |
| 102 | 147 Shorthorn ^^ | Shorthorn cor. Road 20, Project 8, Q.C. |
| 103 | 148 JP Rizal ^^ | J.P. Rizal cor. Constancia St., Makati City |
| 104 | 150 Zabarte ^^ | Quirino Hiway cor. Zabarte Ave., Novaliches |
| 105 | 152 Dasma3 ^^ | Congressional Ave., cor. DBB, Dasmariñas, Cavite |
| 106 | 153 Paco 2 | Pedro Gil St. cor. Main St., Paco, Manila |
| 107 | 154 Insular ** | P. Burgos St. cor. Gen. Luna St., Makati |
| 108 | 155 Onyx ** | A. Francisco cor. Onyx and Concha Sts., Sta. Ana, Manila |
| 109 | 156 Guadalupe 2 ^^ | Sgt. Yabut nr. cor. Anastasio St., Guadalupe, Makati |
| 110 | 158 N. Domingo | N. Domingo cor. F. Blumentritt St., San Juan |
| 111 | 160 San Bartolome ^^ | M. Dela Cruz cor. Quirino Highway, Novaliches, Q.C. |
| 112 | 162 San Fernando1 ** | B. Mendoza cor. Tiomico St., San Fernando, Pampanga |
| 113 | 165 Superlines ** | EDSA nr. cor. New York St., Cubao, Q.C. |
| 114 | 166 Columbia | Columbia Tower, Ortigas Ave., Mandaluyong City |
| 115 | 167 Jupiter ^^ | Makati Ave., cor. Gil Puyat Ave., Makati |
| 116 | 168 TM Kalaw | Kalaw cor. A. Mabini St., Ermita, Manila |
| 117 | 172 West ^^ | West Ave., cor. Zamboanga St., Q.C. |
| 118 | 175 Benin ^^ | EDSA cor. Benin St., Caloocan City |
| 119 | 176 Farmers ^^ | Space 1&2, 2nd Level New Farmers Plaza, Cubao, Q.C. |
| 120 | 180 Batangas City | P. Burgos Ave. cor. P. Panganiban St., Batangas |
| 121 | 184 D.Jose ^^ | Rizal Ave. cor. D. Jose, Sta. Cruz, Manila |
| 122 | 185 Global ^^ | Doña Soledad Ave., Better Living, Parañaque |
| 123 | 187 Virra ** | P. Burgos Ave. cor. Dapo St., Makati City |
| 124 | 188 Panay ** | Quezon Avenue cor. EDSA, Q.C. |
| 125 | 191 Baguio ^^ | #33 Lower Session Road, Baguio City |
| 126 | 196 Urdaneta ^^ | Brgy. Poblacion, Urdaneta, Pangasinan |
| 127 | 198 Matalino ** | Matalino St. cor. Malakas St., Diliman, Q.C. |
| 128 | 195 RFM | RFM Corporate Center, Mandaluyong City |
| 129 | 194 Angono ^^ | M.L. Quezon Ave., Angono, Rizal |
| 130 | 192 Turbina | National Highway Brgy., Turbina, Calamba, Laguna |
| 131 | 200 Carmen ^^ | Mc Arthur Highway, Carmen, Rosales, Pangasinan |
| 132 | 203 Circle | Quezon Ave. cor. Scout Reyes, Q.C. |
| 133 | 199 Rizal Med ^^ | Pasig Blvd. cor. Banaag, Pineda, Pasig City |
| 134 | 193 Bauan | National Rd., Bauan, Batangas |
| 135 | 204 Priscilla | Pasong Tamo Ext.Kayamanan - C, Makati City |
| 136 | 205 U.E. Recto | UE, Claro M. Recto Ave., Manila |
| 137 | 209 Dagupn1 ^^ | Arellano St., Dagupan City |
| 138 | 206 Zapote Junction ^^ | Alabang Zapote Road cor. F. Santos, Las Piñas |
| 139 | 212 Lemery ^^ | Ilustre Ave., nr. cor., P. Burgos St., Lemery, Batangas |
| 140 | 210 Session2 ^^ | G/F B - 105 Lpez Bldg., Session Rd., Baguio City |
| 141 | 211 Orosa ** | MY Orosa nr. cor. TM. Kalaw, Ermita, Manila |
| 142 | 208 Angeles1 ^^ | Sto. Rosario cor. Sukdulan St., Angeles City |
| 143 | 215 Crame | Boni Serrano cor. 2nd St., Camp Crame, Q.C. |
| 144 | 213 Parkview ** | Valero St. cor. Salcedo Village, Makati City |
| 145 | 217 Nova 3 | Quirino Hi-way cor. Sarmiento St., Novaliches City, Q.C. |

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| 146 | 219 P. Campa ^^ | <i>España cor. P. Campa Sampaloc St., Manila</i> |
| 147 | 216 Baclaran2 ^^ | <i>Quirino Ave., cor. Dimasalang St., Baclaran, Parañaque City</i> |
| 148 | 218 Taytay2 ^^ | <i>Manila-East Road, Taytay, Rizal</i> |
| 149 | 228 Bocaue ^^ | <i>Mc Arthur Highway cor. Gov. F, Halili Ave., Binang 2nd, Bocaue, Bulacan</i> |
| 150 | 221 Baclaran 3 ** | <i>Roxas Blvd., Baclaran, Parañaque</i> |
| 151 | 222 Calamba 2 | <i>National Hi-way nr. cor. Halang St., Calamba, Laguna</i> |
| 152 | 224 Luisita ^^ | <i>Mc Arthur Hi-way, San Miguel, Tarlac City</i> |
| 153 | 227 EPZA | <i>Gen. Trias Drive, Brgy. Tejero, Rosario, Cavite</i> |
| 154 | 229 Cityland ^^ | <i>LG07 Cityland 10 Tower, Valero cor. Dela Costa St., Salcedo Village, Makati City</i> |
| 155 | 232 CBC ^^ | <i>115 G/F Corporate Business Center, Paseo de Roxas cor. Pasay Road, Makati City</i> |
| 156 | 257 Shoe Ave ^^ | <i>Shoe Avenue cor. Capt. Venciong, Sta. Elena</i> |
| 157 | 255 Pateros ^^ | <i>Herrera St. cor. Morcilla, Pateros</i> |
| 158 | 241 St. Lukes ^^ | <i>E. Rodriguez cor. Victoria St., New Manila, Q.C.</i> |
| 159 | 245 QA Araneta ^^ | <i>Quezon Avenue cor. Araneta Ave., Q.C.</i> |
| 160 | 240 Salcedo ^^ | <i>Antel 2000 Bldg., Valero cor. Herrera, Salcedo Village, Makati</i> |
| 161 | 242 Mabini ^^ | <i>Mabini cor. 10th Avenue, Caloocan City</i> |
| 162 | 258 Herrera ^^ | <i>Y-L Bldg., Herrera St. cor. Salcedo St., Legaspi Village, Makati City</i> |
| 163 | 244 Guadalupe 3 ** | <i>F. Yabut St., nr. cor. EDSA, Guadalupe Nuevo, Makati City</i> |
| 164 | 271 Starmall | <i>Shaw Blvd. cor. EDSA Mandaluyong</i> |
| 165 | 243 Merville ^^ | <i>Moreland Bldg., Merville Access Rd. cor. West Service Rd.</i> |
| 166 | 249 Binangonan | <i>Quezon St., Libis, Binangonan, Rizal</i> |
| 167 | 272 BetterLiving 2 | <i>Doña Soledad Avenue cor. Peru, Better Living, Parañaque City</i> |
| 168 | 264 Trece2 | <i>Gov. Drive cor. Indang, Tanza Road</i> |
| 169 | 251 Nobel | <i>G/F, 110 Nobel Plaza, Valero St., Makati City</i> |
| 170 | 254 Salauag | <i>Molino-Paliparan Road, Salawag, Dasmariñas, Cavite</i> |
| 171 | 261 Calamba3 ^^ | <i>Along Provincial Road, Calamba-Crossing, Laguna</i> |
| 172 | 268 Arayat2 ^^ | <i>Arayat cor. Pinatubo St. nr. cor. Edsa, Cubao Q.C.</i> |
| 173 | 274 Fields ** | <i>G/F HHH Commercial Bldg., 932 Fields Ave., Balibago, Angeles City</i> |
| 174 | 252 Talon ^^ | <i>J. Aguilar Ave. cor. Alabang-Zapote Road, Talon, Las Piñas City</i> |
| 175 | 262 PCU 2 ^^ | <i>Taft Avenue cor. Pedro Gil, Manila</i> |
| 176 | 259 Del Monte ^^ | <i>Del Monte Avenue cor. Tolentino St. (near Roosevelt), Q.C.</i> |
| 177 | 270 Biñan3 | <i>A. Bonifacio cor. Gonzales St., Poblacion, Biñan, Laguna</i> |
| 178 | 256 Marikina Bridge ^^ | <i>E. Rodrguez cor. J.P. Rizal St., Marikina</i> |
| 179 | 234 LaHuerta ^^ | <i>Quirino Avenue cor. Dandan St., La Huerta, Parañaque</i> |
| 180 | 276 Hansel | <i>Aurora Blvd. cor. Imperial, Cubao, Q.C.</i> |
| 181 | 250 Aurora ^^ | <i>Aurora Blvd. cor. St. Mary, Cubao, Q.C.</i> |
| 182 | 220 Laguna BelAir ** | <i>Sta. Rosa - Tagaytay Rd., Sta. Rosa, Laguna</i> |
| 183 | 248 Pasig Mega ^^ | <i>Mega Parking, Caruncho cor. Market Avenue</i> |
| 184 | 275 FEU ^^ | <i>913-919 Nicanor Reyes cor. Estiro de Alix, Sampaloc, Manila</i> |
| 185 | 231 Makati CityHall ^^ | <i>9033 Hormiga St., Brgy. Poblacion, Makati City</i> |
| 186 | 277 Session3 ^^ | <i>Upper Session Rd., Baguio City</i> |
| 187 | 282 Gatchalian ^^ | <i>Dr. A. Santos Ave. cor. Palanyag St., Parañaque City</i> |
| 188 | 278 Sagittarius ** | <i>G/F Sagittarius Bldg., H.V. Dela Costa St., Salcedo Village, Makati</i> |
| 189 | 237 Orient | <i>Ruby Road, Ortigas Ctr., Pasig City</i> |
| 190 | 236 UP Manila | <i>Pedro Gil St. nr. cor. Taft Avenue, Malate, Manila</i> |
| 191 | 214 San Pablo2 ** | <i>Leonor St. cor. Maharlika Hi-way, San Pablo, Laguna</i> |
| 192 | 279 Marina ** | <i>A. Mabini St., Malate, Manila</i> |

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| 193 | 284 Burgundy ** | G/F One Burgundy Plaza, Katipunan Ave., Q.C. |
| 194 | 281 T. Morato ^^ | Scout Castor cor. T. Morato |
| 195 | 288 San Fernando2 ** | Lam Bldg., San Fernando Crossing, San Fernando, Pampanga |
| 196 | 289 Karuhatan ** | Gen. T. de Leon cor. Mc Arthur Hi-way, Kahuratan, Valenzuela |
| 197 | 287 Dagupan 2 ^^ | Perez Blvd. beside Victory Liner Terminal, Dagupan City |
| 198 | 283 RCBC ** | RCBC Bldg. 3rd Flr. RCBC Poduim, Ayala Avenue cor. Buendia, Makati City |
| 199 | 292 U Batangas | Hilltop, Brgy. Kumintang Ibaba, City of Batangas |
| 200 | 239 Park N Ride ^^ | P. Burgos cor. Dr. Basa St., Ermita, Manila |
| 201 | 293 Plaridel | Cagayan Valley Road, Banga 1st, Plaridel, Bulacan |
| 202 | 285 Emerald ** | Emerald Ave., Ortigas Ctr., Pasig City |
| 203 | 294 Biñan 4 ^^ | In front of Perpetual Help Hospital & College, Biñan, Laguna |
| 204 | 295 King's Plaza | King's Plaza, Juan Luna cor. Padre Rada St., Tondo, Manila |
| 205 | 297 DFA ** | G/F AIMS Bldg., Roxas Blvd. Service Rd. cor. Arnaiz St., Pasay City |
| 206 | 299 Indang ^^ | San Gregorio nr. cor. Mabini St., Indang, Cavite |
| 207 | 301 Annapolis ^^ | G/F Continental Plaza, #45 Annapolis, Greenhills, San Juan, MM |
| 208 | 296 Manansala | Manansala Bldg., Estrella St., Rockwell Center, Makati City |
| 209 | 300 Convergys | G/F Convergys, One Ayala Ave., cor. Salcedo St., Makati City |
| 210 | 304 Starwood ** | Kisad Road nr. cor. Marcos Hi-way, Baguio City |
| 211 | 311 PDCP | G/F PDCP Bank Center, VA Rufino cor. San Agustin, Salcedo Vill., Makati |
| 212 | 310 Malayan ** | Unit G-1, Malayan Plaza, ADB Avenue, Ortigas Center, Pasig City |
| 213 | 317 Tanauan | JP Laurel Highway cor. Mabini St., Tanauan City, Batangas |
| 214 | 312 US Embassy ** | Roxas Blvd. cor. U.N. Avenue, Ermita, Manila |
| 215 | 303 Asian Mansion ** | G/F Asian Mansion 2 Dela Rosa St., Legaspi Village, Makati City |
| 216 | 307 Madrigal ** | G/F Madrigal Building Ayala Avenue, Makati City |
| 217 | 318 Pearl Drive ^^ | Pearl Drive corner Lourdes St., Pasig City |
| 218 | 309 AIC Galleria | G/F AIC-Burgundy Empire Tower, ADB Ave., cor. Garnet Rd., Ortigas |
| 219 | 308 LP Cityhall ^^ | Alabang-Zapote Rd., F. Ocampo Ave., Pamplona 3, Las Piñas City |
| 220 | 316 Xavier Hills ^^ | Xavier Hills Condo. Tower 1, Granada St. cor. N. Domingo, QC |
| 221 | 321 Buendia 2 ** | Gil Puyat Ave. cor. FB Harrison St., Pasay City |
| 222 | 302 Ayala FGU ^^ | Ayala Ave., Salcedo Village, Makati City |
| 223 | 324 Lucena ** | Gomez St. cor Quezon Ave. Lucena City |
| 224 | 325 Sta.Cruz ** | P. Guevarra Ave. Brgy 3 Poblacion Sta. Cruz Laguna |
| 225 | 323 Channel 7 ** | 131 Timog Ave. cor. Samar St., Diliman, QC |
| 226 | 322 St. Scholastica ^^ | 896 Vito Cruz cor. Dominga St., Malate, Manila |
| 227 | 329 Dangwa | 1300 Laonlaan St. cor. Don Quijote St. Sampaloc Manila |
| 228 | 313 Northgate ** | F@st bytes @North Gate cyberzone Alabang Muntinlupa |
| 229 | 326 Gapan ^^ | GM Bakery Bldg Bucana Gapan Crossing Gapan City |
| 230 | 330 Imperial ^^ | Tomas Morato Ave. cor Timog Ave Diliman QC |
| 231 | 328 Cabanatuan 2 ^^ | 199 Gen. Tinio cor. Mabini St., Quezon District, Cabanatuan, Nueva Ecija |
| 232 | 333 Balibago Complex ** | Balibago Complex Balibago Sta. Rosa Laguna |
| 233 | 332 Legarda2 ^^ | Legarda cor. Jhocson St. Sampaloc Manila |
| 234 | 340 Manuela | #02-Alabang-Zapote Rd. cor. Real St. Las Piñas City |
| 235 | 336 Padre Faura | P. Faura cor MH del Pilar |
| 236 | 315 Banaue ^^ | 426 Banaue Ave. cor Tirad Pass St. SMH QC |
| 237 | 331 Letran | Muralla St. cor. Anda St. Intramuros Manila |

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| 238 | 345 Baliwag2 ** | <i>Poblacion Plaza Naning Baliuag Bulacan</i> |
| 239 | 334 OWWA2 ^^ | <i>749 Victoria St. cor. Solana St. Intramuros Manila</i> |
| 240 | 342 R. Magsaysay | <i>173 Edsa Cor. Ermin Garcia St., Cubao, Quezon City</i> |
| 241 | 346 Pedro Gil ** | <i>1578 A. MABINI CORNER PEDRO GIL ST. ERMITA MANILA</i> |
| 242 | 338 Pagsanjan ^^ | <i>Calle Rizal Pob. Pagsanjan Laguna</i> |
| 243 | 341 Olivarez ^^ | <i>8156 Dr. A. Santos Ave., Brgy. San Dionisio, Sucat, Parañaque City</i> |
| 244 | 339 Nasugbu ** | <i>JP Laurel St cor G. Alvarez St. Nasugbu Batangas</i> |
| 245 | 335 Mamatid ** | <i>Banlic, Cabuyao Laguna</i> |
| 246 | 343 Fields 2 | <i>Mc Arthur Highway, Balibago, Angeles City, Pampanga</i> |
| 247 | 350 Pacific Center ** | <i>San Miguel Ave., Ortigas Center, Pasig</i> |
| 248 | 344 Molino 3 ^^ | <i>Zapote- Molino Rd. Brgy. Molino3 Bacoor Cavite</i> |
| 249 | 349 Teachers Bliss ^^ | <i>#1 Teachers Bliss, Balong bato Balintawak QC</i> |
| 250 | 347 Bulihan ^^ | <i>B 275 L13 AFP Housing, Old Bulihan Rd., Bulihan, Silang Cavite</i> |
| 251 | 352 Baclaran 4 | <i>Roxas Blvd. cor. Rivera St., Baclaran, Parañaque</i> |
| 252 | 355 Vito Cruz ^^ | <i>Unit 102&103 Cityland Tower One, Vito Cruz, Manila</i> |
| 253 | 354 Gordon Ave. ** | <i>Gordon Ave. cor. 6th St. Asinan, Olongapo City</i> |
| 254 | 356 Gualberto ** | <i>Zunio St. Gualberto Ave., Rosario, Batangas</i> |
| 255 | 366 SM Clark ** | <i>Bayanihan Park, SM Clark, Balibago, Angeles City, Pampanga</i> |
| 256 | 353 Guagua | <i>One Crown Property & Development, Plaza Burgos, Guagua, Pampanga</i> |
| 257 | 359 Olongapo Rotonda ** | <i>1739 Rizal Ave. West Bajac Bajac, olongapo City</i> |
| 258 | 357 Tanza 2 | <i>Tanza Crossing, Daang Amaya, Tanza, Cavite</i> |
| 259 | 364 Alimall ** | <i>Ali Mall Gen. Romulo Ave., Araneta Center, Q.C.</i> |
| 260 | 362 T. Mapua ^^ | <i>1512 C.M. Recto Cor. F. Torres & T. Mapua Sta. Cruz Manila</i> |
| 261 | 369 Balayan | <i>112 Plaza Mabini St. Balayan, Batangas</i> |
| 262 | 370 Urdaneta 2 ^^ | <i>Alexander St. Urdaneta City, Pangasinan</i> |
| 263 | 358 Dau ^^ | <i>#157 McArthur Hi-way, Dau, Mabalacat, Pampanga</i> |
| 264 | 360 Cabanatuan 3 ^^ | <i>Manson Bldg. Burgos Ave., Cabanatuan City</i> |
| 265 | 367 Riverbanks | <i>G/F ICT Bldg. 2, Riverbanks Center, Riverbank Ave., Barangka Marikina City</i> |
| 266 | 363 Lopez Drive ^^ | <i>RIDC Bldg. Lopez Ave. Cor. Dr. A. Santos Ave., Paranaque City</i> |
| 267 | 371 Dagupan 3 ^^ | <i>M.H. Del Pilar Cor. A.B. Fernandez Ave., Dagupan City</i> |
| 268 | 372 Pascor Drive ** | <i>Sky Freight Building, Ninoy Aquino Ave., Paranaque City</i> |
| 269 | 365 McKinley Hill ** | <i>Unit 1 G/F One Square, Upper McKinley Rd., McKinley Hill, Taguig City</i> |
| 270 | 377 Lucena 2 ** | <i>Lot #2771 - B Along Quezon Ave., Lucena City, Quezon</i> |
| 271 | 383 Maya Arcade ** | <i>G/F Maya Arcade 678 Edsa, Cubao, Quezon City</i> |
| 272 | 379 Olongapo 3 ** | <i>West 18th St. Corner Anonas West Bajac-Bajac, Olongapo City</i> |
| 273 | 380 Citadella | <i>CAA Rd. Corner Citadella Ave. Las Pinas City</i> |
| 274 | 361 Carmona ^^ | <i>Governor's Drive Cor. Purification St. Cabilang Baybay. Carmona Cavite</i> |
| 275 | 374 Old Sta. Mesa ^^ | <i>4456 Valenzuela St. Sta. Mesa Manila</i> |
| 276 | 376 TSU ** | <i>Brgy. Cut-Cut Romulo Ave. Tarlac City</i> |
| 277 | 387 Binangonan 2 ** | <i>National Road Cor. Quarry Road Pantok, Binangonan Rizal</i> |
| 278 | 389 Lucban | <i>Quezon Ave., Miramonte Subdivision Lucban, Quezon</i> |
| 279 | 378 Blumentritt 1 ** | <i>Rizal Ave. cor. Blumentritt Sta. Cruz, Manila</i> |
| 280 | 381 Don Galo ^^ | <i>0423 Quirino Ave. corner Dimatimbangan St. Don Galo, Parañaque City</i> |
| 281 | 386 Palico | <i>Aguinaldo Highway Palico II Imus Cavite</i> |
| 282 | 391 Manaoag ** | <i>Felix St. Cor. Garcia St. Manaoag, Pangasinan</i> |

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| 283 | 384 One E-Com | <i>Unit 4,5 & 6 Harbour Drive Cor. Palm Coast Ave. SM Central Business Park, Pasay City</i> |
| 284 | 390 One McKinley | <i>One McKinley 26th St. Fort Bonifacio Global City, Taguig City</i> |
| 285 | 404 Pacific Regency ^^ | <i>G/F Pacific Regency Bldg. P. Ocampo St. Malate Manila</i> |
| 286 | 405 Baretto ** | <i>#60 National Highway, Barreto Olongapo City</i> |
| 287 | 398 Gordon Hospital ** | <i>104 Rizal Ave., East Tapinac Olongapo City</i> |
| 288 | 407 Abanao ^^ | <i>Unit 2 Ong Bldg. Abanao St. Baguio City</i> |
| 289 | 388 Bago Bantay | <i>#131 Ilocos Sur ST. Cor. Bukidnon st. Bago Bantay Quezon City</i> |
| 290 | 396 DLSU-Lipa ** | <i>National Hiway, Brgy., Paninsingin, Tambo, Lipa City</i> |
| 291 | 395 Imus 2 ** | <i>97-B Aguinaldo Hiway Bayan Luma Imus, Cavite</i> |
| 292 | 414 Lemery 2 | <i>Illustre ave. cor. Rajah Matanda st., Lemery, Batangas</i> |
| 293 | 393 Trancoville ^^ | <i>148 M Roxas Street, Baguio City</i> |
| 294 | 410 Sto. Niño - Meyc. ^^ | <i>L. Camino Real Rd. Sto. Nino Meycauyan Bulacan</i> |
| 295 | 368 Naguillan ^^ | <i>Naguillan Rd. Cor. Bokawkan Rd. Baguio Cit</i> |
| 296 | 412 Don Bosco ^^ | <i>Don Bosco Road. Cor Chino Roces Ave., Makati City</i> |
| 297 | 411 Sta. Maria ^^ | <i>49 Jose Corazon De Jesus st., Sta. Maria, Bulacan</i> |
| 298 | 375 Villamor ** | <i>Lot 12 B.1 12th St. Airman's Village Airbase Area, Pasay City</i> |
| 299 | 409 San Pablo 3 ** | <i>Maharlika Hiway, San Pablo, Laguna</i> |
| 300 | 415 Mendez Proper | <i>Market Road Corner JP Rizal Mendez, Cavite</i> |
| 301 | 394 Maragondon | <i>Poblacion 1-A Maragondon Cavite</i> |
| 302 | 417 Subic Proper ** | <i>National Hi-way Brgy. Baraka, Subic, Zambales</i> |
| 303 | 419 Gate 3 ** | <i>AFPOVAI Western Bicutan, Taguig City</i> |
| 304 | 400 FPIP ^^ | <i>No. 158 Sta. Anastacia, Sto. Tomas, Batangas</i> |
| 305 | 397 Sta. Rosa Estate | <i>Sta. Rosa Highway, Sta. Rosa Estate, Sta. Rosa, Laguna</i> |
| 306 | 406 St. Paul ** | <i>Pedro Gil st. cor. Ma. Orosa st. Malate, Manila</i> |
| 307 | 401 Philcom ^^ | <i>8755 Paseo de Roxas, Makati City</i> |
| 308 | 413 BF Homes 2 ** | <i>BPI Sucat Dr. A. Santos Ave. Cor. Pres. Ave. BF Homes Paranaque City</i> |
| 309 | 421 AIC Gold ^^ | <i>Unit 101 AIC Gold Tower F. Ortigas Cor. Garnet Road Ortigas Commercial Center, Pasig City</i> |
| 310 | 423 Calasiao ^^ | <i>Poblacion East, National Road, Calasiao, Pangasinan</i> |
| 311 | 453 Tayabas ** | <i>Quezon Ave. Cor. P. Paterno St. Brgy. San Diego Tayabas Quezon</i> |
| 312 | 420 One San Miguel | <i>UG-01 One San Miguel Ave Condominium One San Miguel Ave, cor Shaw Blvd., Ortigas Center Pasig City</i> |
| 313 | 428 APC Balanga | <i>Tenejeros St. Balanga, Bataan</i> |
| 314 | 448 Pavillion Mall | <i>Space Nos. 143-B Bldg A G/F Pavilion Mall, Biñan, Laguna</i> |
| 315 | 426 Sindalan ** | <i>McArthur Hi-way Sindalan, San Fernando Pampanga</i> |
| 316 | 422 La Union 1 ** | <i>Rizal Ave. cor. Gov. Ortega st., San Fernando City, La Union</i> |
| 317 | 444 Calamba 4 ** | <i>National Hiway cor Ipil-IPil St., Calamba, Laguna</i> |
| 318 | 392 SM San Fernando | <i>Unit AX3 123b, Building 4, SM City Pampanga, Lagundi, Mexico Pampanga</i> |
| 319 | 424 Capaz ^^ | <i>Mc Arthur Hi-way, Poblacion, Capas, Tarlac</i> |
| 320 | 427 Talavera ^^ | <i>Maharlika Highway, Maharlika, Talavera</i> |
| 321 | 439 Porta Vaga ^^ | <i>Fr. Carlu st. cor. Cathedral Drive, Baguio City</i> |
| 322 | 436 Leveriza ^^ | <i>#665 CRI Bldg. President E. Quirino Ave. cor. Leveriza, Malate, Manila</i> |
| 323 | 443 Olongapo City Hall ^^ | <i>23rd st., Rizal Ave., East Bajac-Bajac, Olongapo City</i> |
| 324 | 468 SM Lucena | <i>115-116 SM City Lucena Dalahican cor. Maharlika Hiway Nat'l Rd. Lucena City</i> |
| 325 | 450 PWU ^^ | <i>1807 G/F Nakpil St. cor. L. Guinto St. Malate, Manila</i> |
| 326 | 440 Total Corporate ** | <i>Total Corporate Ctr Bldg., Bonifacio Triangle, Bonifacio Global City, Taguig City</i> |

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| 327 | 451 Civic Prime ** | <i>Civic drive, Civic Prime Filinvest Corporate City, Alabang</i> |
| 328 | 435 Angeles 2 ** | <i>Miranda St., Angeles City, Pampanga</i> |
| 329 | 408 Subic Gate 1 | <i>Bldg. 537 Magsaysay Ave, Subic Bay, Freeport Zone, SBMA</i> |
| 330 | 403 Tagaytay 2 ** | <i>One Tagaytay Place Calamba Rd., Tagaytay City</i> |
| 331 | 432 Dakota Mansion ^^ | <i>G/F Dakota Mansion, Malvar St., Cor. Adriatico St.. Malate, Manila</i> |
| 332 | 416 AUF ** | <i>Mc-Arthur High-way cor. Dona Aurora St., Angeles City, Pampanga</i> |
| 333 | 447 Kimston ^^ | <i>2650 Agutaya St. cor. EDSA, Pinagkaisahan, Makati</i> |
| 334 | 425 Sunny Brooke ^^ | <i>Blk 31 Lot 6 Brooke side lane brgy. San Francisco, Gen. Trias, Cavite</i> |
| 335 | 433 Batangas 3 | <i>Poblacion 18, Rizal Ave., Batangas City</i> |
| 336 | 449 Eastwood 2 | <i>G/F One Orchard Condominium, Orchard Rd., Eastwood City, Bagumbayan, Quezon City</i> |
| 337 | 458 San Marcelino ^^ | <i>G/F CMC Bldg. #710 San Marcelino St., Ermita, Manila</i> |
| 338 | 431 Iba Zambales ** | <i>Magsaysay Ave., Poblacion, Iba, Zambales</i> |
| 339 | 442 San Jose NE ^^ | <i>Maharlika Highway National Road, San Jose City N.E.</i> |
| 340 | 446 Paniqui ** | <i>UCPB Building along National Highway, Brgy. Estacion, Paniqui, Tarlac</i> |
| 341 | 438 Balanga Plaza ^^ | <i>Aguirre St. Balanga City</i> |
| 342 | 429 Mendez Crossing | <i>Aguinaldo Hiway Mendez Junction East, Tagaytay City, Cavite</i> |
| 343 | 459 Palapala ** | <i>E.L Toledo Bldg. along National Hiway, Brgy. Sampaloc I, Palapala, Dasmariñas, Cavite</i> |
| 344 | 466 Sterling Centre | <i>G/F Sterling Centre, Ormaza cor. Dela Rosa Sts, Legaspi Village, Makati City</i> |
| 345 | 469 Sta. Rosa NE ** | <i>Maharlika Hi-Way, Sta. Rosa, Nueva Ecija</i> |
| 346 | 475 AUF Hospital | <i>AUF Medical Center, Mc Arthur Hi-way, Angeles Pampanga</i> |
| 347 | 418 Multinational | <i>J&P Bldg (Multinational) Ninoy Aquino Ave., Paranaque City</i> |
| 348 | 476 Mayapa ** | <i>National Highway Checkpoint, Paciano Rizal Calamba City Laguna</i> |
| 349 | 463 San Carlos Pangasinan ^^ | <i>Virgen Milagrosa University Foundation Compd. San Carlos City, Pangasinan</i> |
| 350 | 430 Balanga Church ** | <i>J.P. Rizal St., Balanga City, Bataan</i> |
| 351 | 465 Taal Proper | <i>Poblacion. 3, Taal Proper, Taal, Batangas</i> |
| 352 | 472 Nuvali ** | <i>Retail Space 1 Nuvali Technopod, Sta. Rosa, Laguna</i> |
| 353 | 484 Batangas Port | <i>PPA Compound, Sta. Clara, Batangas City</i> |
| 354 | 479 Caltex NLEX | <i>Caltex NLEX Km17 Canumay Valenzuela Exit</i> |
| 355 | 471 Valenzuela Exit | <i>Maysan Road, Paseo De Blas,Valenzuela City</i> |
| 356 | 474 Wynsum ^^ | <i>Unit G1-C Wynsum Corporate Plaza 22 F. Ortigas Jr. Rd., Ortigas Center, Pasig City</i> |
| 357 | 455 Pearl Drive 2 | <i>G/F Unit 102, Pacific Place Condominium, Pearl Drive, Ortigas Ctr, Pasig City</i> |
| 358 | 480 Philtranco ** | <i>610 Apelo Cruz St., Malibay, Pasay City</i> |
| 359 | 486 Alabang Med | <i>Unit 1 G/F Aurora Bldg, Alabang Zapote Rd., Mutinlupa City</i> |
| 360 | 441 Malolos Poblacion ^^ | <i>Torres St. cor. M. Tenco, Poblacion Malolos, Bulacan</i> |
| 361 | 445 NE Pacific ^^ | <i>Km 111, Brgy. H. Concepcion, Maharlika Hi-way, Cabanatuan City</i> |
| 362 | 460 Telus ** | <i>Arcade 6 &7 G/F Telus Bldg., Araneta Center, Cubao, Quezon City</i> |
| 363 | 464 OSMAK ** | <i>Blk 5 Lot 18 Sampagueta cor. Escarlata, Pembo, Makati City</i> |
| 364 | 454 Cogeo ^^ | <i>Marcos Hiway cor. GSIS Ave., Bagong Nayon 1, Antipolo City</i> |
| 365 | 492 Times Plaza ** | <i>G/F Times Plaza Bldg. Taft Ave. cor. UN Ave., Ermita, Manila</i> |
| 366 | 462 Gen T. De Leon | <i>Gen. T. De Leon St. Valenzuela City</i> |
| 367 | 508 Heart Center ** | <i>G/F Philippine Heart Center, East Ave., Quezon City</i> |
| 368 | 452 Pio del Pilar ** | <i>Chino Roces Ave. (Pasong Tamo) cor. Dela Rosa st. Makati City</i> |
| 369 | 457 YP ** | <i>YP Bldg. Dr. A. Santos Ave., Sucat, Parañaque City</i> |
| 370 | 487 Vista Verde ** | <i>G/F Unit 1,2,3,4 Vista Square Comm'l Center, Felix ave., Cainta, Rizal</i> |

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| 371 | 496 Tordesillas ** | 108 Tordesillas cor. Gallardo st., Salcedo Village, Makati City |
| 372 | 495 Sun Plaza ^^ | G/F Sun Plaza Shaw Boulevard, cor Princeton st., Mandaluyong City |
| 373 | 513 One Solaris ^^ | Retail 2 G/F One Solaris Bldg, Dela Rosa St., Legaspi Village, Makati City |
| 374 | 498 SM Cyber One ** | Retail Space 4, Buendia Ave., Makati City |
| 375 | 525 Muñoz 2 | Blk 3 Lot 7 R. Magsaysay. EDSA, Munoz, Quezon City |
| 376 | 434 Malibay Plaza 2 ** | Reance Bldg. 93 C. Jose st. cor. Malibay Ave., Pasay City |
| 377 | 490 12th Ave. ^^ | Ten Commandments Bldg. 689 Rizal Ave, Grace Park, Caloocan City |
| 378 | 481 Net Plaza ^^ | Unit 14 E-Square Zone, Crescent Park West, Bonifacio Global City, Taguig |
| 379 | 516 NE Crossing ^^ | Maharlika Highway Cor. Burgos Ext. Cabanatuan City Nueva Ecija |
| 380 | 504 Paragon Plaza | Upper G/F Paragon Plaza Condominium, EDSA cor. Reliance St., Mandaluyong City |
| 381 | 510 LKG | 11th Flr. LKG Tower 6801-6803 Ayala Ave., Makati City |
| 382 | 528 BPO San Lazaro ** | Retail 4, Vertex 1 Bldg. Yuseco Cor. Felix Huertas, San Lazaro Racetrack, Sta Cruz, Manila |
| 383 | 542 Malugay (G) ** | Chino Roces Ave. Cor. Malugay and Gil Puyat, Brgy., San Antonio, makati |
| 384 | 543 Connecticut (G) ** | Edsa Cor. Connecticut, San Juan, City |
| 385 | 548 SLEX (G) ** | KM 22 South Luzon Tollway (Northbound) San Antonio San Pedro Laguna |
| 386 | 547 Coastal (G) ** | Aguinaldo Highway Brgy. Tambo Paranaque City |
| 387 | 550 Q. Osmeña (G) ** | Quirino Ave. Cor. Osmena Hi-way, Manila City |
| 388 | 546 Boni- Malamig (G) ** | 708 Boni Ave., Brgy. Malamig, Boni Mandulong City |
| 389 | 545 Capas- Junction (G) ** | National Road Sto. Domingo Junction, Capaz, Tarlac |
| 390 | 478 JP Rizal 2 | 347 JP Rizal Ave. Cor. Pasong Tamo Ave. Makati City |
| 391 | 529 Port Area ** | 637 Bonifacio Drive, Port Area, Manila |
| 392 | 544 Q, Ermita (G) ** | Quirino Ave. Cor. Mabini Ave., Manila |
| 393 | 549 Filinvest (G) ** | Alabang- Zapote Rd., Cor. Northgate Ave. Filinvest, Alabang Muntinlupa City |
| 394 | 531 La Trinidad ** | National Road, KM5 La Trinidad, Benguet |
| 395 | 552 Malolos Crossing ** | E & R , McArthur Highway cor., Mabini St., Malolos Bulacan |
| 396 | 512 Philam ^^ | 9/F Philam Life Building, Paseo De Roxas, Makati City |
| 397 | 470 Balanga Kapitolyo ** | Capitol Drive Balanga Bataan |
| 398 | 473 VG Cruz ** | Ramon Magsaysay Blvd. Cor. Vicente Cruz St. Sampaloc Manila |
| 399 | 533 Dagupan 4 ** | G/F Orient Pacific Center cor. Perez Blvd., Rizal Ext., Dagupan City, Pangasinan |
| 400 | 489 Eco Plaza ^^ | Pasong Tamo Extension, Makati city |
| 401 | 527 Retiro 2 ** | 311-313 N.S. Amoranto St. Sta Mesa Heights, Quezon City |
| 402 | 501 Sto. Domingo ** | McArthur Hi-Way cor. Apo rd. Sto. Domingo, Angeles, Pampanga |
| 403 | 540 Grand Hampton ** | Grand Hampton Place, 1st Ave., and 31st St., Fort Bonifacio Global City, Taguig |
| 404 | 499 RK Subic | SBIP Phase I Commercial Complex, Subic Bay Gateway Park, Rizal Highway, Subic Freeport Zone |
| 405 | 562 Daang Sarile (G) ** | Daang Sarile Caltex Station, Daang Sarile, Cabanatuan City |
| 406 | 518 SM Cyber Two ** | Unit 7 Sen. Gil Puyat Ave. Cor. Zodiac St., Makati City. |
| 407 | 570 Wilson (G) ** | Wilson cor. Ortigas San Juan, City |
| 408 | 591 Tikay Malolos (G) ** | Mc. Arthur Hi-Way, Tikay, Malolos Bulacan |
| 409 | 560 San Fernando NLEX (G) ** | KM 62 NLEX North Bound Brgy. San Felipe, San Fernando Pampanga |
| 410 | 561 Tarlac 2 (G) ** | Mc. Arthur Hi-Way, Tarlac Tarlac City. |
| 411 | 582 McKinley San Juan (G) ** | Ortigas Ave., McKinley, San Juan |
| 412 | 576 Boni EDSA (G) ** | EDSA cor., Boni Ave., Mandaluyong |
| 413 | 577 Sta. Rosa Paseo (G) ** | Tagaytay Road. Sta. Rosa Laguna |

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| 414 | 535 ATC ^^ | <i>Entertainment Complex, Alabang Town Center, Muntinlupa City</i> |
| 415 | 583 Harvard EDSA (G) ** | <i>EDSA corner Harvard St., Makati City</i> |
| 416 | 597 Buendia 3 (G) ** | <i>Buendia cor., Leveriza, Pasay City</i> |
| 417 | 483 Fort Legend ** | <i>Blk 7 Lot 3 3rd ave. cor. 31st st. Fort Bonifacio Global City, Taguig City</i> |
| 418 | 575 Halang Calamba (G) ** | <i>National Highway Brgy. Halang Calamba Laguna</i> |
| 419 | 537 Angeles 3 | <i>G/F 294 Sto. Rosario St., Angeles City, Pampanga</i> |
| 420 | 559 Clark Hostel ** | <i>2041 Ninoy Aquino Ave cor. M.A. Roxas, Clark Freeport Zone, Pampanga</i> |
| 421 | 599 Burnham (G) ** | <i>Chanum cor., Otek St., Burnham Park, Baguio City</i> |
| 422 | 526 ABS-CBN | <i>143 Mother Ignacia Ave., Diliman, Quezon City</i> |
| 423 | 524 R. Papa ** | <i>813 R. Papa and S. H. Loyola St., Sampaloc Manila</i> |
| 424 | 596 San Pascual (G) ** | <i>San Pascual, Batangas</i> |
| 425 | 598 Upper Session (G) ** | <i>GSIS Compound, Marcoville, Baguio City</i> |
| 426 | 601 City Camp Road (G) ** | <i>Legarda Road cor., City Camp Road, Baguio City</i> |
| 427 | 519 UP Los Baños ^^ | <i>Student Union Bldg. University of the Philippines Los Baños, Laguna</i> |
| 428 | 600 Rosario La Union (Caltex) ** | <i>McArthur Hi-way, Camp 1 Brgy Udiao, Rosario, La Union</i> |
| 429 | 502 Rockwell Business Center ** | <i>Tower 2 (North) Level 1 Unit No. N-02 Rockwell Business Center, Pasig City</i> |
| 430 | 461 Lamuan-Manotok | <i>JP Rizal cor. Visayas St., Filipinas Village, Malanday, Marikina</i> |
| 431 | 505 Makati Ave. 2 ^^ | <i>Makati Ave. Cor. Constellation st., Brgy. Bel-air, Makati City</i> |
| 432 | 511 PBCOM | <i>7/F Philcom Tower 6801-6803 Ayala Ave, Makati City</i> |
| 433 | 517 New Port | <i>Star Cruises Center, Andrews Ave. Pasay City</i> |
| 434 | 581 DMG Center ** | <i>DMG Center, Libertad cor. Calbayog St., Mandaluyong City</i> |
| 435 | 493 San Pablo 5 ^^ | <i>Brgy. 6A Mabini St., San Pablo City, Laguna</i> |
| 436 | 565 Mabalacat ** | <i>Velasquez St., Mabalacat Proper, Pampanga</i> |
| 437 | 594 Victoria de Manila ** | <i>Shoppes @ Victoria Space No. 101 G/F Victoria De Manila, Taft Ave., Manila</i> |
| 438 | 530 Net Square ** | <i>3rd Avenue cor., 28th St., E- Square, Crescent Park West, Bonifacio Global City, Taguig M.M.</i> |
| 439 | 534 Eastwood 3 ** | <i>/F Eastwood Citywalk 2, Eastwood City Cyber Park E. Rodriguez Jr. Ave., Bagumbayan, Q.C.</i> |
| 440 | 539 Tagaytay 3 ** | <i>Magallanes Square, Silang Junction West, Tagaytay City</i> |
| 441 | 580 Silver City ** | <i>G/F Unit L1-003A, silver City, Frontera Verde, Pasig City</i> |
| 442 | 586 Muzon ** | <i>Brgy. Muzon San Jose Del Monte Bulacan</i> |
| 443 | 482 Villa Amparo | <i>Villa Amparo Subd., Aguinaldo Highway, Imus Cavite</i> |
| 444 | 506 Ascendas ** | <i>10th Flr., Net One Center, 3rd Ave., Cor. 26th St., Crescent Park West, bonifacio Global City, Taguig City</i> |
| 445 | 563 Concepcion Tarlac ** | <i>Brgy. San Nicolas, Concepcion Tarlac</i> |
| 446 | 585 TRAG | <i>GL 10 The Residences, Arnaiz St., Makati City</i> |
| 447 | 500 Binondo ^^ | <i>Burke Plaza Sto. Cristo Cor. San Fernando St. Binondo Manila</i> |
| 448 | 538 Redemptorist | <i>Lot 18 Redemptorist Road, Baclaran Parañaque City</i> |
| 449 | 485 Berthaphil 4 ^^ | <i>Bldg 2 - Retail 1 Berthaphil 4, Clark Aviation Complex, A. Bonifacio Avenue, CFZ, Pampanga</i> |
| 450 | 572 Herco Center ^^ | <i>Herco Center 114 Benavidez St., Legazpi Village Makati City</i> |
| 451 | 593 Farmers Market | <i>Space No. 00363 Farmers Market Arcade, Araneta Center Quezon City</i> |
| 452 | 541 San Miguel | <i>906 Norberto St., Brgy. San Jose, San Miguel, Bulacan</i> |
| 453 | 226 Legarda ^^ | <i>2108 Legarda St., Quiapo, Manila</i> |
| 454 | 639 Lingayen 1 ** | <i>National Hi-way, Lingayen, Pangasinan</i> |
| 455 | 603 Fortune Square ** | <i>McArthur Hi-way, cor. Villa Julita Subdivision, Brgy. Saguin, San Fernando, Pampanga</i> |
| 456 | 558 Welding Bldg. | <i>Upper Building, 349 Sen. Gil J. Puyat Ave., Makati City Metro Manila</i> |

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| 457 | 554 N. Garcia ** | 158 Jupiter St., Cor. N. Garcia St., Bel Air Village, Makati City |
| 458 | 584 Starmall Metropolis | Upper Ground Flr. Starmall Alaban, South Super Hi-way, Alabang Muntinlupa City |
| 459 | 610 Olongapo Public Market ** | Canda St., East Bajac - Bajac, Olongapo City |
| 460 | 494 Los Baños 2 | Lopez Ave. cor. Mt. Halcon St., Los Baños Subd, Batong Malake/San Antonio, Los Baños, Laguna |
| 461 | 613 Baliuag Highway ** | DRT Highway, Pinagbarilan, Baliuag, Bulacan |
| 462 | 658 LRT2 Santolan ** | Lot 2 C5-A, Santolan, Pasig City |
| 463 | 515 Castillejos ** | National Hi-way, Castillejos, Zambales |
| 464 | 621 Lifestones | Lot 1-B-1-B, Ortigas Ave., Ext., cor. Alfonso St., Brgy. Rosario, Pasig City |
| 465 | 564 Rosario 2 | No. 42 Ortigas Ave., Rosario, Pasig City |
| 466 | 587 Marvin Plaza | Chino Roces cor., Herrera St., Makati City |
| 467 | 615 San Pedro 5 ** | Lot 8 AB National hghway cor Garcia st, Nueva Poblacion San Pedro Laguna |
| 468 | 608 Zaragoza ^^ | Corner Concepcion, Zaragoza, Nueva Ecija |
| 469 | 567 San Isidro ** | N. 35 Brgy. San Isidro, Cabuyao, Laguna |
| 470 | 568 Camiling ^^ | Arellano St. corner Quezon Ave., Camiling, Tarlac |
| 471 | 590 Kingswood | U/GF, Units A27 a,b and c Kingswood Makati City |
| 472 | 595 Tiaong ** | Doña Tating cor. Alabastro Streets, Tiaong, Quezon |
| 473 | 536 San Andres | G/F Gem Square Bldg., San Andres St. cor. Mabini, Manila |
| 474 | 503 Centris 1 | G/F Eton Cyberpod Centris Edsa, Near Cor. Quezon Ave., Quezon City |
| 475 | 606 Diamond Square ** | Mac Arthur Hi-way corner M.A. Flores Balibago, Angeles City |
| 476 | 588 EDSA Central 2 | EDSA Central Shopping Complex, EDSA cor. United, Mandaluyong City |
| 477 | 648 Guadalupe 4 | Kimston Plaza Building, P. Burgos St., Guadalupe, Makati City |
| 478 | 589 Manila Executive Regency | Unit 5 & 6 Ground Floor, Manila Executive Regency, Jorge Bocobo St., Ermita Manila |
| 479 | 617 Grandview Angeles ** | Lot 19-B, Don Juico Ave., Malabanas, Angeles City |
| 480 | 551 Woodridge ** | G/F The Woodridge Bldg., Upper Mckinley Road., Mckinley Hill, Taguig City |
| 481 | 614 Bansalangan | # 4Bansalangan st brgy Veterans Village QC |
| 482 | 556 Batangas 4 ^^ | Manuela Pastor Ave. Corner Highway, Pallocan West, Batangas City |
| 483 | 616 Engineers Hill ^^ | 101 Engineers Hill St., Jude Thaddeus Complex cor. Nevada Road and Guinto Alley, Baguio City |
| 484 | 607 Enclave | The Enclave, Fil-Am Friendship Hi-way, Pampang, Angeles City |
| 485 | 630 Mayfair Tower | Commercial C, G/F Mayfair Tower, UN Ave., cor. Mabini St., Ermita Manila |
| 486 | 649 St. Francis Towers ** | St. Francis Drive, Ortigas Center, Pasig City |
| 487 | 646 Pulilan ^^ | National Rd., Brgy., Poblacion, Pulilan Bulacan |
| 488 | 650 Sienna del Monte ** | 555 Del Monte Ave., Brgy., Manresa, Quezon City |
| 489 | 624 Tagaytay 4 ** | 141 Evangelista St. Daang Bukid, Bacoor Cavite |
| 490 | 619 Buendia 4 ** | No. 317 Sen Gil Puyat Ave., Pasay City |
| 491 | 688 Cabanas Mall ** | McArthur Hi-way, Brgy. Longos Malolos Bulacan |
| 492 | 628 Subic International Hotel ** | Unit 142/ 144 & 146/148, SIH Alpha Bldg. Freeport Zone, Subic Bay, Olongapo City |
| 493 | 641 España Grand ^^ | España cor., Tolentino cor., Eloisa, Metro Manila |
| 494 | 579 Malinta 2 ^^ | Unit 17, Danding Bldg., Cecilio J. Santos St., Valenzuela City |
| 495 | 638 Carmelray ^^ | Makiling Drive., Carmelray Industrial Park II, Calamba Laguna |
| 496 | 497 Molito Complex ^^ | Madrigal Ave., Madrigal Business Park, Alabang Muntinlupa |
| 497 | 640 Mangaldan ** | National Road, Mangaldan Town Proper, Pangasinan |
| 498 | 635 Noveleta | Poblacion Noveleta, Cavite City |

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| 499 | 574 Salawag 2 | <i>Paliparan Road, Salawag Crossing Dasmariñas, Cavite</i> |
| 500 | 623 Hidalgo ^^ | <i>Unit 2 & 3, Isabelle de Hidalgo Bldg. St., cor., Cancer St., Quiapo Manila</i> |
| 501 | 604 Dewey Avenue | <i>Lot 2, Block 18, Dewey Ave., cor. Aguinaldo Highway, CBD, Subic Bay Freeport Zone</i> |
| 502 | 578 Malanday 2 ^^ | <i>Brgy. Malanday McArthur Highway, Valenzuela City</i> |
| 503 | 633 R. Salas 2 | <i>Casa Blanca, 1447 M. Adriatico St., Ermita, Manila</i> |
| 504 | 636 Betterliving 3 ^^ | <i>27 Doña Solidad cor. Australia Sts., Betterliving Subdivision, Don Bosco, Parañaque City</i> |
| 505 | 612 Pag-asa Imus ^^ | <i>National Rd., cor. Alapan St., Pagasa, Imus, Cavite</i> |
| 506 | 679 NAIA 3 ** | <i>MIAA, 4th Level, Unit 37, Southwing office NAIA Terminal 3, Pasay City</i> |
| 507 | 668 V. Santos ** | <i>16 V. Santos cor. Santos Streets, Sto. Nino, Marikina City</i> |
| 508 | 675 Patts ** | <i>Dr. A Santos Avenue, San Isidro, Paranaque City</i> |
| 509 | 620 FVR | <i>Area D (Sta. Cruz), Sapang Palay, San Jose Del Monte City, Bulacan</i> |
| 510 | 611 San Marcelino Zambales ** | <i>National Highway Central, San Marcelino, Zambales</i> |
| 511 | 625 JP Laurel Malate ** | <i>G/F JP Laurel Memorial Bldg., M.H. del Pilar cor. Pedro Gil St., Ermita, Manila</i> |
| 512 | 632 Sixto A. Ave. ** | <i>Dr. Sixto Antonio Ave, Maybunga, Pasig City</i> |
| 513 | 709 Caltex Balibago ** | <i>Balibago cor. San Lorenzo Rd. Sta. Rosa Laguna</i> |
| 514 | 629 Pansol | <i>National Highway purok 1 Pansol Calamba, City of Laguna</i> |
| 515 | 553 Tustine Alabang | <i>Molino St., South Super Highway, Alabang, Muntinlupa City</i> |
| 516 | 669 City Oil Fairview | <i>Commonwealth Ave., cor. Pearl St., Fairview Quezon City</i> |
| 517 | 734 Sumulong Hi-way | <i>KM 23, Sumulong Highway, Brgy. Sta. Cruz, Antipolo City</i> |
| 518 | 673 Burke Quintin Paredes | <i>Burke House No. 8, Quintin Paredes cor. San Vicente St., Binondo Manila</i> |
| 519 | 626 Berthaphil 5 ** | <i>Berthaphil V, Gil Puyat Ave., cor. Panday-Pira Rd., CFEZ, Angeles, Pampanga</i> |
| 520 | 717 Malasiqui ** | <i>Montemayor St., Poblacion Malasiqui, Calasiao Rd. Pangasinan</i> |
| 521 | 711 Tanauan 2 ** | <i>Brgy. Darasa, Tanauan City, Batangas</i> |
| 522 | 605 Molina 5 | <i>Molino Rd., Brgy. Molino III, Bacoor Cavite</i> |
| 523 | 592 Sampol | <i>Brgy. Bagong Buhay, San Jose Del Monte Bulacan</i> |
| 524 | 680 Taytay 3 ^^ | <i>Manila East Rd. cor., Italia St. Brgy. Muzon Taytay Rizal</i> |
| 525 | 509 Woodlands Pioneer ** | <i>G/F Pioneer Woodlands Showroom, EDSA near cor. Pioneer St., Mandaluyong City</i> |
| 526 | 622 Makati Executive Tower 3 ^^ | <i>Unit 6 and 7, G/F Makati Executive Tower 3, Sen. Gil J. Puyat Ave., Makati City</i> |
| 527 | 713 Suburbia ** | <i>McArthur Hi-way Brgy. Maimpis San Fernando Pampanga</i> |
| 528 | 654 Paniqui 2 ** | <i>M. H Del Pilar cor., Luna St., Paniqui, Tarlac</i> |
| 529 | 674 Zapanta | <i>Santa Rita St., cor., Orense St., Makati City</i> |
| 530 | 557 La Salle Med ** | <i>Barrio Pasang Tala, Dasmariñas Cavite</i> |
| 531 | 685 Friendship Highway ** | <i>Lot 15, Blk 6, Friendship Hi-way, Brgy. Anunas, Angeles City</i> |
| 532 | 618 Angelo King - CSB ** | <i>Arellano Ave., Malate Manila</i> |
| 533 | 681 DENR | <i>DENR Bldg., 1515 Roxas Blvd., Manila</i> |
| 534 | 684 Escoda | <i>2116-2117 G/F Guerero Bldg. Leon Guinto St. near cor. Escoda St. Ermita Manila</i> |
| 535 | 642 Mary Homes Molino | <i>Molino Rd., Maryhomes Subdivision, Brgy. Molino IV, Bacoor, Cavite</i> |
| 536 | 645 MCU 3 | <i>EDSA cor., Serrano Ave., Caloocan City</i> |
| 537 | 652 Lagro | <i>Block 91 Lot 1 Ascencion Ave., Lagro Subdivision, Novaliches Quezon City</i> |
| 538 | 665 A. Mabini | <i>2116-2117 A. Mabini St., Malate Manila</i> |
| 539 | 670 Mercedes Ave. | <i>Evergreen 101, C. Raymundo Ave., San Miguel, Pasig City</i> |

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| 540 | 682 Lucao District ^^ | National Rd. cor. Jose De Venecia Rd., Dagupan City, Pangasinan |
| 541 | 657 G. Tuazon 2 | 1850 G. Tuazon St., Sampaloc Manila |
| 542 | 706 Aria ** | Real St. cor. Aria St. Las Piñas City |
| 543 | 689 Burnham Park 2 ** | Shanum St.cor. Otek St. cor. Lake Drive, Burnham Park, Baguio City |
| 544 | 664 Tejeron | Tejeron St., Sta. Ana Manila |
| 545 | 701 Sanrise M.H. Del Pilar ** | 2164 M. H. del Pilar St., Malate Manila |
| 546 | 694 Pili ** | Maharlika Highway cor., Santiago St., Brgy. San Vicente, Pili, Camarines Sur |
| 547 | 698 4th Ave. | 4th Ave. cor. P. Sevilla St. Grace Park (West), Caloocan City |
| 548 | 697 Bayambang ** | National Highway, Bayambang Pangasinan |
| 549 | 660 Scout Tobias ** | Cedar Executive Bldg., # 26 Timog Ave., cor., Scout Tobias., Brgy Laging Handa, Q.C. |
| 550 | 456 Sariaya | Gen. Luna St. National Hi-Way Sariaya, Quezon |
| 551 | 692 Attivo SF ** | G/F Unit101B and 102B , Gapan- Olongapo Rd. San Fernando, Pampanga |
| 552 | 721 San Mateo ** | 103 Gen, Luna Ave., Gitnang Daan 1. San Mateo Rizal |
| 553 | 569 Mabolo Bacoor | Mabolo, Bacoor Cavite |
| 554 | 686 Lubao Pampanga ** | #24 J.P. Rizal St., Sta. Cruz, Lubao, Pampanga |
| 555 | 662 Lingayen 2 ** | cor. Artacho and Alvear Sts., Lingayen, Pangasinan |
| 556 | 672 Bauan 2 ^^ | Manghinao Proper, Bauan Batangas |
| 557 | 695 Syquia | 2356 Jose Syquia St., cor., M. Rozas St., Sta. Ana Manila |
| 558 | 712 Cardinal Santos Hospital | Medical Arts Building Cardinal Santos Medical Canter, Wilson St. San Juan City |
| 559 | 723 Angono 2 ^^ | Manila East Road cor., Col. Guido St. Agono Rizal |
| 560 | 732 Bauang La Union | Central East, Bauang, La Union |
| 561 | 727 Agoo La Union ^^ | 16 McArthur Highway, Agoo, La Union |
| 562 | 677 Tugatog Malabon ^^ | 17 M.H. Del Pilar Rd., cor. Pureza St.,Tugatog Malabon City |
| 563 | 687 Taytay 4 | J. P. Rizal Avenue, Taytay Rizal |
| 564 | 637 Malaya Marikina | JP Rizal St., Malanday, Lamuan, Marikina City |
| 565 | 767 Dagupan Lyceum ** | A.B Fernandez Ave. Dagupan City |
| 566 | 663 Moriones | 557 Moriones St., Tondo Manila |
| 567 | 644 Citrus | Brgy Minuyan, San Jose Del Monte, Bulacan |
| 568 | 785 Total Yacht Club ** | Rizal Highway, Subic Bay Freefort Zone |
| 569 | 699 Dagupan 5 ** | Burgos St. cor. Bonifacio St. Dagupan City, Pangasinan |
| 570 | 661 Tarlac Crossing (Banco San Juan) | Lot B, Plaza de Oro Arcade along McArthur Highway, Poblacion 2, Tarlac City |
| 571 | 729 Anabu Kostal ** | Anabu Wet and Dry Market, Aguinaldo Highway, Anabu II-A, Imus Cavite |
| 572 | 722 Alimall 2 | G/F Alimall, P. Tuazon, Araneta Center, Q.C. |
| 573 | 627 BSA Tower ** | G-4 BSA Tower Condominium, No. 108 Legaspi St. Legaspi Village, Makati City |
| 574 | 676 Rivercity Residences (LUI bldg) | 2143 Carreon St., Sta. Ana Manila |
| 575 | 696 Betterliving 4 (Caltex Doña Soledad) | Lot 18, Doña Soledad Ave. Betterliving Subd. Parañaque City |
| 576 | 716 Tumana | Farmers Ave., cor. J.P. Rizal St., Concepcion, Marikina |
| 577 | 714 System Plus ** | Diamond Service Road, Mc Arthur Hi-way, Angeles City |
| 578 | 671 Maybunga | Pag-asa Street. Pasig City |
| 579 | 704 Mindanao Avenue ** | 547 Quirino Hi-way. cor. Mindanao Ave. Talipapa, Novaliches, Q.C. |
| 580 | 731 Southwoods Exit | Rosario Complex, San Vicente, San Pedro Laguna |
| 581 | 690 Net Cube | Unit 9-2, 9th flr. Net One Center, 3rd Ave., cor., 26th St., E-Square, Crescent Park West, Bonifacio Global City, Taguig, MM |
| 582 | 728 University of Baguio ** | FB bldg., Assumption Rd., Baguio City |

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| 583 | 719 Deparo ** | <i>Deparo Rd., cor. T. Samson Ave., North Caloocan City</i> |
| 584 | 736 F. Tañedo 1 | <i>F. Tañedo St., San Nicolas, Tarlac City</i> |
| 585 | 730 Washington ** | <i>Unit 3, AGS Plaza, Washington St., Brgy. Pio Del Pilar, Makati City</i> |
| 586 | 703 Mckinley 1820 ** | <i>Unit A, McKinley Road McKinley Town Center, Fort Bonifacio, Taguig City</i> |
| 587 | 702 Naga 1 ** | <i>Grand Imperial Plaza cor. P. Burgos and J. Hernandez Ave. Naga City 4400</i> |
| 588 | 715 One Archer's ** | <i>Unit 6, G/F of One Archers Place, Taft Ave., Malate Manila</i> |
| 589 | 726 Paliparan | <i>Mabuhay City, Paliparan Dasmariñas Cavite</i> |
| 590 | 780 Pulang lupa 2 ** | <i>B5 Lot 6 Guinto Park Sudv. Naga Road cor., St. Joseph Ave., Pulang Lupa II, Las Piñas City</i> |
| 591 | 742 Gastambide ** | <i>621-629 Dormitory, Gastambide, Sampaloc Manila</i> |
| 592 | 745 Antel Spa ** | <i>7829 Makati Avenue cor., Valdez St., Makati City</i> |
| 593 | 750 Mabini Soldado | <i>G/F 1533 A. Mabini St., cor. Soldado St., Ermita, Manila</i> |
| 594 | 789 Caltex BSU ** | <i>Caltex Gas Station; McArthur Highway , BO., Guinhawa, Malolos City, Bulacan</i> |
| 595 | 735 West Rembo ^^ | <i>Lot 1 Blk. 76, Brgy. West Rembo, Makati City</i> |
| 596 | 655 Salitran ** | <i>Brgy. Salitran, Dasmariñas, Cavite</i> |
| 597 | 744 F. Manalo ** | <i>F. Blumentritt cor., F. Manalo, San Juan City</i> |
| 598 | 765 Zobel Roxas | <i>No. 1289, Zobel Roxas St., Malate Manila</i> |
| 599 | 720 El Jardin | <i>Retail Unit 1, El Jardin del Presidente, No. 41 Sgt. Esguerra St. Cor Scout Bayoran, Quezon City</i> |
| 600 | 764 Carluyan N.U. | <i>M.F Jhocson St., Sampaloc , Manila</i> |
| 601 | 707 Concepcion Uno ** | <i>Bayan Bayanan Ave. Brgy. Concepcion 1, Marikina City</i> |
| 602 | 653 Bacoor 2 | <i>141 Evangelista St. Daang Bukid, Bacoor Cavite</i> |
| 603 | 840 Total Cabanatuan ** | <i>Maharlika Highway, Cabanatuan City, Nueva Ecija</i> |
| 604 | 718 Towerville | <i>Brgy. Minuyan Proper, San Jose Del Monte, Bulacan</i> |
| 605 | 743 Pulong Buhangin | <i>National Hi-way, Brgy Pulong Buhangin, Sta. Maria Bulacan</i> |
| 606 | 839 Total Tarlac ** | <i>Mc Arthur Highway, Tarlac City, Tarlac</i> |
| 607 | 772 Tanay 2 | <i>Market Road cor. F.T. Catapusan St. Brgy. Plaza-Aldea, Tanay Rizal</i> |
| 608 | 769 San Fernando 3 | <i>Gen. Hizon Avenue, San Fernando, Pampanga</i> |
| 609 | 691 Sta. Ana Church | <i>Lot 32-B-1 Pedro Gil St., Sta. Ana, Manila</i> |
| 610 | 813 Biñan Caltex ** | <i>Malvar St. Brgy. San Antonio, Biñan Laguna</i> |
| 611 | 760 Comembo ** | <i>Comembo Commercial Complex. JP Rizal Extension, Makati City</i> |
| 612 | 776 CBD Hotel (Naga Terminal) ** | <i>G/F of CBD II Hotel, Ninoy and Cory Ave., Brgy. Triangulo, Naga City</i> |
| 613 | 755 Sunshine Plaza ** | <i>Sunshine Boulevard Plaza, Quezon Ave., cor., Scout Santiago and Panay Ave., Quezon City</i> |
| 614 | 738 Sumulong 2 | <i>Sumulong Highway cor. B Soliven Ave., Antipolo City</i> |
| 615 | 758 Dalandanan ^^ | <i>Brgy. Dalandanan, Lazaro St. cor. Mc Arthur Highway, Valenzuela City</i> |
| 616 | 838 Mariveles ** | <i>No. 91 Lakandula St., cor., P. Burgos St., Poblacion, Mariveles, Bataan</i> |
| 617 | 848 Total Balintawak ** | <i>1178 EDSA, Balintawak, Quezon City</i> |
| 618 | 643 Edsa Grand ** | <i>EDSA cor Corregidor St. Bago Bantay Q.C</i> |
| 619 | 822 Palico 2 | <i>Aguinaldo Hi-way, Palico IV, Imus Cavite</i> |
| 620 | 651 Total Balanga | <i>National Rd., Calero St., Brgy., Ibayo, Balanga, Bataan</i> |
| 621 | 808 Binmaley ** | <i>G/F Purification Building Poblacion, Binmaley, Pangasinan</i> |
| 622 | 678 Xevera ** | <i>Brgy. Tabun, Mac Arthur Highway, Mabalacat, Pampanga</i> |
| 623 | 791 Imus 4 ** | <i>Buhay na Tubig, Imus Cavite</i> |
| 624 | 710 Tejero ** | <i>Antero Soriano Highway Tejero, General Trias Cavite</i> |
| 625 | 811 Tanauan 3 ^^ | <i>Pres. Laurel Highway cor., Molave St., Tanauan Batangas</i> |

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| 626 | 733 Forest Hill | <i>Quirino Highway and Forest Hills Drive. Forest Hills Subd., Novaliches, Quezon City</i> |
| 627 | 796 San Fernando 4 ** | <i>Consunji cor., Abad Santos St., Poblacion, San Fernando, Pampanga</i> |
| 628 | 795 BF Resort 2 | <i>Blk. 1 Lot 4 BF Drive BF Resort Village, Las Piñas City</i> |
| 629 | 797 Old Balara | <i>#986 Tandang Sora Ave., Brgy., Old Balara, Quezon City</i> |
| 630 | 705 CWC ** | <i>Cadlan, Municipality of Pili, Province of Camarines Sur</i> |
| 631 | 778 Expo Cubao | <i>G/F VI-LA Bldg. Unit- B, EDSA, Q.C</i> |
| 632 | 768 Navotas | <i>635 M. Naval St., cor. C-4 Rd., Bagumbayan North, Navotas City</i> |
| 633 | 753 F. Tañedo 2 ** | <i>F. Tañedo St., Tarlac City</i> |
| 634 | 741 Earnshaw | <i>Lot 2-B J. Figueras St. cor. Palmera St., Sampaloc, Manila</i> |
| 635 | 770 Manila Cityhall | <i>Arroceros St., Ermita, Manila</i> |
| 636 | 756 Paramount | <i>135 West Ave. near EDSA, Quezon City</i> |
| 637 | 874 Kidney Center ** | <i>East Ave. Quezon City</i> |
| 638 | 826 Phoenix | <i>Phoenix Lucena, Maharlika Highway, Lucena City</i> |
| 639 | 762 Supercenter ^^ | <i>G/F Supercenter, Araneta Center, Quezon City</i> |
| 640 | 814 Lian Batangas ** | <i>J.P Laurel St., cor., Kapitan Isko St., Lian, Batangas</i> |
| 641 | 872 Total San Pablo ** | <i>Total Gas Station, Maharlika Highway San Pablo City Laguna</i> |
| 642 | 830 Total Cutcut | <i>Friendship Hi-way corner Poinsettia St. Angeles, Pampanga</i> |
| 643 | 856 Guimba ** | <i>No. 16 A Salvador St., Bargain St. Guimba, Nueva Ecija</i> |
| 644 | 773 Raon | <i>G. Puyat cor., Quezon Blvd., Raon, Quiapo Manila</i> |
| 645 | 842 Naguillan Poblacion | <i>Naguillan road corner Rimando St., Naguillan La union</i> |
| 646 | 724 Manila Residences ** | <i>Unit 101-102 and 127-128, The Manila Residences, 2320 Taft Ave., Malate Manila</i> |
| 647 | 748 Camp John Hay ^^ | <i>Space 4, Baguio Technohub Retail Plaza BPO-A, Camp John Hay, Baguio</i> |
| 648 | 757 Naga 3 (Sunny View Hotel) | <i>Panganiban Drive, San Francisco, Naga City</i> |
| 649 | 805 East Ave. 2 ** | <i>G/F NCHP Bldg. EDSA cor. East Avenue, Brgy. Pinyahan, Quezon City</i> |
| 650 | 827 Tagaytay City Market ** | <i>City Market, Tagaytay Sta. Rosa Road, Brgy San Francisco , Tagaytay City.</i> |
| 651 | 828 Bay | <i>Brgy. Dila, Bay, Laguna</i> |
| 652 | 889 Eastern Petroleum ** | <i>Rizal ave. and Argonaut Highway NSD Compound, Subic Bay Freeport zone</i> |
| 653 | 829 Areza ** | <i>National Highway Brgy., Canlalay</i> |
| 654 | 790 Sta. Cruz 2 | <i>Sitio Sampaguita, Brgy. Bubukal, Sta. Cruz Laguna</i> |
| 655 | 775 Cabanatuan 4 | <i>Mahalika Highway, Cabanatuan City</i> |
| 656 | 876 Magalang ** | <i>Sta. Cruz, Magalang Pampanga</i> |
| 657 | 824 St. Aquinas Sto. Tomas | <i>General Malvar Avenue, Sto. Tomas, Batangas</i> |
| 658 | 807 Urdaneta 3 ** | <i>Mc Arthur Hi-way, San Vicente, Urdaneta City, Pangasinan</i> |
| 659 | 894 Macabling ** | <i>Brgy. Macabling, Sta. Rosa, Laguna</i> |
| 660 | 819 St. Lukes 2 | <i>St., Luke's Medical Bldg., E. Rodriguez Sr., Quezon City</i> |
| 661 | 846 Tanza 3 ** | <i>Blk 1 Lots 4 and 5, Filinvest West, Brgy. Paradahan, Tanza Cavite</i> |
| 662 | 752 Bustos ^^ | <i>Brgy. Poblacion Bustos Bulacan</i> |
| 663 | 781 Kingsville ** | <i>Marcos Hi-way Brgy. Mayamot, Antipolo City</i> |
| 664 | 788 SLU Baguio ** | <i>A. Bonifacio St., across SLU Main Gate, Baguio City</i> |
| 665 | 866 Gumaca ** | <i>Andres bonifacio Street, corner J.P Brgy Rizal, Gumaca, Quezon</i> |
| 666 | 818 Lucban 2 | <i>Brgy. Tinamnan, Lucban, Quezon</i> |
| 667 | 887 San Antonio Zambales ** | <i>San Marcelino-San Antonio-San Narciso Road, Poblacion San Antonio, Zambales</i> |
| 668 | 792 Sta. Monica ** | <i>Roxas Boulevard corner Sta. Monica & L.M. Guerrero St., Ermita, Manila</i> |
| 669 | 852 Bucandala ** | <i>Patindig araw corner alapan road, bucandala Imus Cavite</i> |

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| 670 | 782 SeaOil Pritil | 1688 Juan Luna St. Brgy. 61, Zone 005, Tondo, Manila |
| 671 | 777 P. Guevarra | Santolan Rd. cor. P. Guevarra San Juan City |
| 672 | 882 Atimonan Poblacion | G/F Renegado Property Rizal Street corner Quezon St., Atimonan, Quezon |
| 673 | 784 Teresa | Magsaysay Ave., Brgy., San Gabriel Teresa Rizal |
| 674 | 812 Paciano | Paciano Highway, Brgy. Paciano Rizal, Calamba, Laguna |
| 675 | 806 Villaflor ** | National Rd., Brgy. Poblacion, Dagupan City, Pangasinan |
| 676 | 821 Cityplace Binondo ** | City Place Binondo, Sta. Elena St., Binondo, Manila |
| 677 | 761 Naga 2 ** | No. 2, Ateneo Ave., cor. Bagumbayan St., Naga city |
| 678 | 725 Bagong Ilog | G/F AVC Bldg., E. Rodriguez Ave., cor., Sta. Rosa St., Bagong Ilog Pasig |
| 679 | 815 Pila Highway | Brgy. Labuin, Pila Laguna |
| 680 | 836 Torre Venezia ** | Sct. Santiago, corner Timog Ave., Quezon City |
| 681 | 555 C. Raymundo | #64 Stella Mariz cor., C. Raymundo Ave., Maybunga Pasig City |
| 682 | 751 Emar Suites ** | 409 Shaw Blvd., Mandaluyong City |
| 683 | 804 Amorsolo ** | # 146 Amorsolo St., Legaspi Village, Makati City |
| 684 | 786 BF Homes 3 | G/F of Omega Star Bldg. 1112 Aguirre BF Homes, Parañaque City |
| 685 | 851 Lopez, Quezon ** | Maharlika Highway, corner San Isidro Street, Lopez, Quezon |
| 686 | 833 Isabelle De Valenzuela | Unit 102-103 G/F Isabelle de Valenzuela, McArthur Highway Valenzuela City |
| 687 | 783 Divine Mercy ** | Marilao- Muzon Rd., Brgy., Sta Rosa 1, Marilao Bulacan |
| 688 | 843 Mayapa 2 ** | Mayapa Road, Brgy. Mayapa, Calamba Laguna |
| 689 | 898 San Carlos 2 ** | 33 Rizal St., San Carlos City, Pangasinan |
| 690 | 817 Malinta 3 | Mc Arthur Hi-way corner Gov. Santiago Malinta, Valenzuela City |
| 691 | 746 Gen. Luna | Gen. Luna St. Baguio City, Benguet |
| 692 | 841 United Paranaque 2 ** | Tindalo corner E. Services Road, Paranaque City |
| 693 | 896 Katipunan ** | 48 Esteban Abada St., corner Rosa Alvero St., Loyola Heights, Katipunan, Quezon City |
| 694 | 831 Marcos Hiway Baguio City ** | ECC Building Brgy. Bakekang, along Marcos Highway, Baguio City |
| 695 | 865 Perez | Inong Building, Governor's Drive corner Hugo Perez Drive Trece Martirez, Cavite |
| 696 | 832 Regent Hotel | Caceres St., Naga City |
| 697 | 859 Landayan ** | Brgy. Landayan, San Pedro, Laguna |
| 698 | 895 Cuenca ** | Poblacion 1 National Highway, Cuenca, Batangas |
| 699 | 802 Market Avenue ** | Market Ave., cor. M.H. Del Pilar Pasig City |
| 700 | 853 Tayug ** | Bonifacio St. Brgy. B. Tayug Pangasinan |
| 701 | 835 Banawe 2 | Banawe cor Quezon Blvd., Quezon City |
| 702 | 908 Dinalupihan ** | #3 San Ramon Highway, Dinalupihan, Bataan |
| 703 | 857 Dita Margarita ** | Brgy. Dita, Sta. Rosa City, Laguna |
| 704 | 763 Manhattan ** | G/F Manhattan Parkway, Araneta Center, Quezon City |
| 705 | 825 Lucena 3 ** | Quezon Avenue, Lucena City |
| 706 | 810 Macabebe ** | Poblacion, Macabebe, Pampanga |
| 707 | 801 Riverbanks 2 | 73 A. Bonifacio corner Chorillo St., Brgy., Barangka, Marikina City |
| 708 | 893 Famy | Brgy. Calumpang, Famy, Laguna |
| 709 | 877 Tune Hotel ** | 1740 A. Mabini Street, Malate, Manila |
| 710 | 799 Doña Aurora | G/F Milan Residences 16 Plaridel St., cor. E. Jacinto St., Quezon City |
| 711 | 847 Alaminos ** | Teodoro Bldg., Quezon Ave., Across NEPO Mart, Alaminos City Poblacion |
| 712 | 737 San Roque Tarlac ** | Brgy. San Roque, Tarlac, Tarlac |

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| 713 | 779 Sta. Quiteria ** | <i>Sta. Quiteria, Caloocan City</i> |
| 714 | 860 Asuncion | <i>Asunsion St., cor., Zaragosa St., Divisoria, Tondo, Manila</i> |
| 715 | 837 Tiaong Stop Over | <i>Villa Escudero, Maharlika Hi-way, Brgy Lalig, Tiaong</i> |
| 716 | 886 Libmanan | <i>G/F Dy Property, Poblacion Street, corner Bigaon St., Libmanan, Camarines Sur</i> |
| 717 | 845 Plaridel Waltermart | <i>Banga 1, Plaridel, Bulacan</i> |
| 718 | 759 CDC Clark ** | <i>E. Aguinaldo Ave., cor. E. Quirino St., Clark Freeport Zone</i> |
| 719 | 903 OYG Building ** | <i>G/F OYG Building B. Mendoza St., San Fernando, Pampanga</i> |
| 720 | 888 La Union 2 ** | <i>McArthur Highway, Sevilla, Sam Fernando City, La Union</i> |
| 721 | 794 Bagtikan ** | <i>1180 Chino Roces cor., Bagtikan St., Brgy. San Antonio, Makati City</i> |
| 722 | 890 Lima Tech ** | <i>Santiago, JP Laurel Highway, Malvar, Batangas</i> |
| 723 | 892 Raffles ** | <i>Ground level, Emerald Avenue, Ortigas Centre, Ortigas, Pasig City</i> |
| 724 | 912 Calamba Science Park ** | <i>Science park II, National Rd., Real Calamba Laguna</i> |
| 725 | 809 Paliparan 2 ** | <i>Paliparan- Molino Road, Paliparan III, Dasmariñas Caviite</i> |
| 726 | 878 Shell Diversion | <i>Roxas Ave. Triangulo, Naga City, Camarines Sur</i> |
| 727 | 875 Menzy Land | <i>Brgy Mojon, Malolos, Bulacan</i> |
| 728 | 855 UERM ** | <i>R.Magsaysay Blvd. Ext. Quezon City</i> |
| 729 | 747 Lyceum ** | <i>465 Muralla corner Real St., Intramuros, Manila</i> |
| 730 | 942 Munoz, Nueva Ecija ** | <i>Infante Bldg, Science City of Munoz, Nueva Ecija</i> |
| 731 | 914 Nabua ** | <i>San Roque Poblacion, Nabua, Camarines Sur</i> |
| 732 | 883 Madapdap ** | <i>San Fernando Avenue corner Porac Avenue, Brgy. Dapdap, Mabalacat, Pampanga</i> |
| 733 | 885 San Fabian ** | <i>Quezon Highway San Fabian, Pangasinan</i> |
| 734 | 869 Finman ** | <i>117 Tordesillas St. Salcedo Village, Makati City, Metro Manila</i> |
| 735 | 884 Galicia Property ** | <i>Galicia st. corner España, Sampaloc, Manila City</i> |
| 736 | 925 Tuy ^^ | <i>Rizal St., Poblacion, Tuy, Batangas</i> |
| 737 | 766 K- Zone | <i>K-Zone Bldg., NIA-PDEA cor., EDSA, Brgy. Pinyahan, Quezon City</i> |
| 738 | 901 Gen Trias Poblacion | <i>Sampalukan St., Poblacion, Gen. Trias, Cavite</i> |
| 739 | 897 Lucena 4 | <i>M.L Tagarao Street, Barangay Iyam, Lucena City</i> |
| 740 | 863 Tanauan 4 ** | <i>A. Mabini Avenue, Tanauan City</i> |
| 741 | 899 Sotto | <i>Unit 117 Sotto-Yuvienco Building, 910 Gonzales St., cor., Gen Luna St., Ermita, Manila</i> |
| 742 | 933 UCLM ** | <i>MYFC Building, A.C. Cortez Avenue, Mandaue City</i> |
| 743 | 948 Escario Central ** | <i>N. Escario, Barangay Kamputhaw, Cebu City</i> |
| 744 | 934 JY Square Mall | <i>Salinas Drive, corner Gorordo avenue, Lahug Cebu City</i> |
| 745 | 834 Remington Hotel ** | <i>Ground Floor Shop 2, Remington Hotel, Newport City</i> |
| 746 | 935 Tune Hotel Cebu | <i>36 Archbishop Reyes Avenue, Cebu City</i> |
| 747 | 938 Ibaan, Batangas ** | <i>J. Pastor St. Poblacion, Ibaan, Batangas</i> |
| 748 | 754 Mines View Plaza | <i>Outlook Drive, Mines View Park, Baguio City</i> |
| 749 | 749 SM Two E-com | <i>Retail 10 G/F, Two Ecom Center Ocean Drive, Mall of Asia Complex, Pasay City</i> |
| 750 | 913 Pagsawitan | <i>Brgy. Pagsawitan, Sta. Cruz, Laguna</i> |
| 751 | 940 Rada ** | <i>G/F HRC Center located at 104 Rada St. Legaspi Village Makati City</i> |
| 752 | 950 Bigfoot | <i>G/F Bigfoot Center F. Ramos St, Cogon Central Cebu City</i> |
| 753 | 989 Mango Ave. ** | <i>Gen. Maxilom Avenue (Mango Ave.), corner Juana Osmena Street, Cebu City</i> |
| 754 | 991 North Reclamation ** | <i>Ounao Ave., North Reclamation Area, Mandaue City</i> |
| 755 | 937 VRP-Sierra Madre ** | <i>Sierra Madre St., Brgy Highway Hills Mandaluyong City</i> |
| 756 | 920 Malvar Poblacion ** | <i>Poblacion, Malvar, Batangas</i> |
| 757 | 990 Banilad ** | <i>AS Fortuna Street, corner Gov. M. Cuenco, Banilad, Cebu City</i> |

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| 758 | 915 Alaminos, Laguna | <i>Del Pilar St., Alaminos, Laguna</i> |
| 759 | 850 Airport Road 2 | <i>Roxas Boulevard coner Airport Road, Baclaran, Parañaque City</i> |
| 760 | 1004 Caltex Maguikay ** | <i>ML Quezon Street, Brgy. Maguikay, Mandaue City</i> |
| 761 | 864 Legislative Bldg. | <i>Rizal St., cor. Hilario St., Tarlac City</i> |
| 762 | 909 Plaza 66 | <i>Plaza 66 New Port City</i> |
| 763 | 1006 Caltex Basak ** | <i>MC Briones Street, Mandaue City</i> |
| 764 | 1007 Caltex Labogon ** | <i>Cebu North Road, Labogon, Mandaue City</i> |
| 765 | 900 Catanauan | <i>Poblacion 10, Catanauan, Quezon</i> |
| 766 | 656 Marquinton Cordova Tower | <i>C-101 & C-102, Marquinton Cordova Tower, Sumulong Highway, Marikina City</i> |
| 767 | 930 Caltex Sto. Tomas ** | <i>Maharlika Highway Brgy. San Antonio, Sto. Tomas, Batangas</i> |
| 768 | 953 San Jose, Batangas ** | <i>Brgy. Taysan, SanJose, Batangas</i> |
| 769 | 800 UST Campus ** | <i>University of Santo Tomas, Sampaloc Manila</i> |
| 770 | 868 Armstrong ave ** | <i>160 Armstrong Ave., Cor E. Rodriguez Moonwalk Village, Brgy Moonwalk Parañaque City</i> |
| 771 | 946 Cebu Capitol | <i>Don Gil Garcia St., cor N.G. Escario St., Capitol, Cebu City</i> |
| 772 | 947 CDU ** | <i>Phase 2 Carvelco Canteen, North Reclamation Area, Mandaue City</i> |
| 773 | 926 Sangley point | <i>Dra. Salamanca St. Sangley Point, Cavite City</i> |
| 774 | 911 Balayan 2 | <i>Antorcha St.,Corner Paz St., Balayan, Batangas</i> |
| 775 | 998 Mambog, Bacoor | <i>New Molino Blvd., Bacoor Cavite</i> |
| 776 | 929 Calauan | <i>Brgy. Kanluran, Calauan, Laguna</i> |
| 777 | 922 Angono Medics | <i>Quezon Ave. Hihgway, Brgy. San Isidro, Agono Rizal</i> |
| 778 | 870 Soho | <i>Units 12/13, Level 1, Soho Central, Green Field District, Mandaluyong City</i> |
| 779 | 798 C5 Damayan ** | <i>Pristine Bldg., B51 L8, Brgy. Pinagsama, Taguig</i> |
| 780 | 659 Lung Center ^^ | <i>Diliman, Quezon City</i> |
| 781 | 849 Caltex San Simon ** | <i>Mac Arthur hi-way San Simon Exit, Pampanga</i> |
| 782 | 1016 Clark County ** | <i>C.M. Recto Avenue Clarkfield Pampanga</i> |
| 783 | 945 CSPC ** | <i>GF, CSPC-Entreprenuership Training Center, Camarines Sur Polytechnic Colleges-Naga Campus</i> |
| 784 | 952 Montalban, Burgos | <i>J.P Rizal cor. Montaña drive, Brgy. Burgos, Montalban Rizal</i> |
| 785 | 1019 Banay-Banay ** | <i>Brgy. Banay-Banay, Cabuyao, Laguna</i> |
| 786 | 968 Tagudin ** | <i>Barangay Rizal, Tagudin, Ilocos Sur</i> |
| 787 | 961 La Paz ** | <i>La-Paz Concepcion Road, Brgy. San Isidro, La Paz, Tarlac</i> |
| 788 | 993 San Felix | <i>Sto. Tomas, Batangas</i> |
| 789 | 963 Bayani Road ** | <i>Bayani Road cor. Diego Silang, Taguig City</i> |
| 790 | 873 San Sebastian | <i>San Sebastian Cathedral, Lipa City</i> |
| 791 | 854 Naga 4 | <i>Liboton St., cor Jacob St. Naga City Camarines Sur</i> |
| 792 | 971 Pila Poblacion | <i>Rizal St., Sta. Clara Sur, Pila, Laguna</i> |
| 793 | 910 500 Shaw ** | <i>Shaw Blvd. cor S. Laurel, Mandaluyong</i> |
| 794 | 962 Masapang, Victoria | <i>National Highway, Brgy. Masapang, Victoria, Laguna</i> |
| 795 | 927 Dasma 4 | <i>B61 L1 Brgy., San Juan, Dasmariñas City, Cavite</i> |
| 796 | 941 Sariaya 2 | <i>Maharlika Highway, Brgy., Santo Cristo, Sariaya</i> |
| 797 | 924 Tawilisan | <i>Brgy.Bihis, Tawilisan, Taal, Batangas</i> |
| 798 | 1020 St. Louis College ** | <i>McArthur Highway, San Fernando, La Union</i> |
| 799 | 976 San Vicente ** | <i>Brgy. Banay-Banay, Lipa City, Batangas</i> |
| 800 | 966 Yellow Bldg | <i>Unit 1 yellow building 2A south station alabang muntinlupa</i> |
| 801 | 928 Arayat 3 | <i>Mangga-Cacutud Road, Poblacion, Arayat, Pampanga</i> |

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| 802 | 959 Jaen ** | <i>San Isidro-Jaen Road, Jaen, Nueva Ecija</i> |
| 803 | 988 Ongpin | <i>1043 Ongpin St. cor. Gonzalo Puyat, Manila City</i> |
| 804 | 1030 Caltex Plaridel (Cebu) ** | <i>Plaridel Street, Brgy. Alang-Alang, Mandaue City</i> |
| 805 | 1054 Grotto Vista ** | <i>Sta. Maria Tungkong Mangga Road, Graceville, Tungko, SJDM, Bulacan</i> |
| 806 | 1021 Talamban Crossing (Cebu) ** | <i>M. Cuenco Ave., cor., M.L. Quezon St. Talamban, Cebu</i> |
| 807 | 1028 Caltex N. Bacalso (Cebu) ** | <i>N. Bacalso Street, Cebu City</i> |
| 808 | 943 Daet ** | <i>Louie's Restaurant, F. Pimentel Avenue, corner, JP Rizal St., Daet, Camarines Norte</i> |
| 809 | 955 Victoria ** | <i>Tarlac-Victoria Highway, Victoria, Tarlac</i> |
| 810 | 982 RM Olongapo ** | <i>RM Centerpoint Bldg. Brgy. East Tanipac, Magsaysay Drive, Olongapo City</i> |
| 811 | 978 Naic 2 | <i>A. Soriano Highway Naic, Cavite</i> |
| 812 | 951 San Agustin ** | <i>Brgy San Agustine, Sto. Tomas, Batangas</i> |
| 813 | 957 Bamban ** | <i>McArthur Highway, Bamban Crossing, Bamban Tarlac</i> |
| 814 | 1034 Calamba 6 ** | <i>Brgy. Parian cor. Lawa Road, Calamba City, Laguna</i> |
| 815 | 904 Langkaan, Dasma ** | <i>Governor's Drive cor Langkaan Drive, Langkaan Dasmaringas Cavite</i> |
| 816 | 1038 Total Lucena ** | <i>National Highway, Lucena City, Quezon Province</i> |
| 817 | 905 Harbor Point | <i>Harbor Point, Rizal Highway, Subic bay Freeport Zone 2222</i> |
| 818 | 965 Siniloan ** | <i>L. De Leon St., Brgy. Acevida, Siniloan, Laguna</i> |
| 819 | 1080 CPI Soldier's Hill ** | <i>National Highway cor. Soldier Hills, Muntinlupa City</i> |
| 820 | 994 St. Theresa | <i>101-F Aboitiz Street, Cebu City</i> |
| 821 | 939 Samal ** | <i>Brgy Poblacion Samal, Bataan</i> |
| 822 | 1056 Calaca | <i>Rodriguez Street, Calaca, Batangas</i> |
| 823 | 954 Matatalaib ** | <i>Sitio Buno, Matatalaib, Tarlac City</i> |
| 824 | 1014 RCEE DORM (Cebu) ** | <i>N. Bacalso Ave., Brgy. Duljo, Cebu City</i> |
| 825 | 986 San Sebastian College | <i>Mendiola Square, 2144-46 Claro M. Recto, Manila</i> |
| 826 | 1037 D'Ace Plaza ** | <i>United Avenue cor. Brixton St., Pioneer, Pasig City.</i> |
| 827 | 974 Splendor Place | <i>G/F of Splendor Place, J. Nakpil St. cor., J. Bocobo St. Malate, Manila</i> |
| 828 | 983 Bonifacio Technology Center (BTC) | <i>G/F Bonifacio Technology Center 2nd Ave., Global City, Taguig</i> |
| 829 | 1022 Colon ** | <i>Colon Street, corner Pelaez Street, Downtown, Cebu City</i> |



PHILIPPINE SEVEN CORPORATION

7th Floor, The Columbia Tower, Ortigas Avenue, Mandaluyong City 1550 Philippines
Telephone Nos. (632) 724-44-41 to 53 / 705-52-00
www.7-eleven.com.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Philippine Seven Corporation is responsible for the preparation and fair presentation of the consolidated financial statements for the years ended December 31, 2012 and 2011, including the additional components attached herein, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors or the Executive Committee or the Audit Committee, as authorized by the Board, reviews and approves the consolidated financial statements and submits the same to the stockholders.

SyCip Gorres Velayo & Co. the independent auditor appointed by the stockholders for the period December 31, 2012 and 2011, respectively, have examined the consolidated financial statements of the company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such examination.


VICENTE T. PATERNO
Chairman of the Board


JOSE VICTOR P. PATERNO
Chief Executive Officer


PING-HUNG CHEN
Chief Financial Officer


LAWRENCE M. DE LEON
Finance Division Manager

Sined this 18th day of February, 2013

DOC. NO. 6
PAGE NO. 244
BOOK NO. 2011
SERIES OF 2011

DEPOSED AND SWORN TO
BEFORE ME ON THIS **APR 11 2013**
AT PASIG EXHIBITINE
IS HEREBY SIGNED


ATTY. RAMON L. CAPIO
NOTARY PUBLIC
IBP # 013008477/13
ROLL # 22, 172 TOR 106-918-897
MCLE # IV-0006300, 5/19/12 PASIG CC
PTR # 8410181, 1/2/13 PASIG CITY

Part 1: FINANCIAL INFORMATION

Part 1. Financial Statements

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Part 3. Management's Discussion and Analysis of Financial Condition and Results of Operation in 2012.

80

Philippine Seven Corporation and Subsidiaries

Consolidated Financial Statements
December 31, 2012 and 2011
and Years Ended December 31, 2012, 2011 and 2010

and

Independent Auditors' Report

SyCip Gorres Velayo & Co.

COVER SHEET

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(Company's Full Name)

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(Business Address: No. Street City/Town/Province)

| |
|-------------------|
| Steve Chen |
|-------------------|

(Contact Person)

| |
|-----------------|
| 705-5200 |
|-----------------|

(Company Telephone Number)

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Month Day
(Calendar Year)

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Amended Articles Number/Section

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Total No. of Stockholders

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Foreign

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INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Philippine Seven Corporation
7th Floor, The Columbia Tower
Ortigas Avenue, Mandaluyong City

We have audited the accompanying consolidated financial statements of Philippine Seven Corporation and Subsidiaries, which comprise the consolidated balance sheets as at December 31, 2012 and 2011, and the consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Philippine Seven Corporation and Subsidiaries as at December 31, 2012 and 2011, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2012 in accordance with Philippine Financial Reporting Standards.

SYCIP GORRES VELAYO & CO.



Julie Christine O. Mateo

Partner

CPA Certificate No. 93542

SEC Accreditation No. 0780-AR-1 (Group A),

February 2, 2012, valid until February 1, 2015

Tax Identification No. 198-819-116

BIR Accreditation No. 08-001998-68-2012,

April 11, 2012, valid until April 10, 2015

PTR No. 3670009, January 2, 2013, Makati City

February 18, 2013

PHILIPPINE SEVEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

| | December 31 | |
|---------------------------------------------------------------------|-----------------------|-----------------------|
| | 2012 | 2011 |
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents (Notes 4, 29 and 30) | P415,285,569 | P394,696,749 |
| Short-term investment (Notes 4, 29 and 30) | 10,632,115 | 10,409,907 |
| Receivables (Notes 5, 29 and 30) | 374,597,843 | 239,289,287 |
| Inventories (Note 6) | 726,986,563 | 519,258,936 |
| Prepayments and other current assets (Note 7) | 259,007,887 | 161,522,138 |
| Total Current Assets | 1,786,509,977 | 1,325,177,017 |
| Noncurrent Assets | | |
| Property and equipment (Note 8) | 2,276,921,044 | 1,946,032,976 |
| Deposits (Note 9) | 249,418,061 | 215,964,826 |
| Deferred income tax assets - net (Note 27) | 43,009,798 | 40,662,817 |
| Goodwill and other noncurrent assets (Note 10) | 208,489,602 | 206,461,345 |
| Total Noncurrent Assets | 2,777,838,505 | 2,409,121,964 |
| TOTAL ASSETS | P4,564,348,482 | P3,734,298,981 |
| LIABILITIES AND EQUITY | | |
| Current Liabilities | | |
| Bank loans (Notes 11, 29 and 30) | P477,777,778 | P374,666,667 |
| Accounts payable and accrued expenses (Notes 12, 29 and 30) | 1,261,289,989 | 1,243,937,457 |
| Income tax payable | 105,144,142 | 73,922,196 |
| Other current liabilities (Notes 13 and 25) | 541,881,392 | 298,435,516 |
| Total Current Liabilities | 2,386,093,301 | 1,990,961,836 |
| Noncurrent Liabilities | | |
| Deposits payable (Note 14) | 181,901,238 | 171,457,833 |
| Net retirement obligations (Note 24) | 61,120,420 | 65,192,720 |
| Cumulative redeemable preferred shares (Note 15) | 6,000,000 | 6,000,000 |
| Deferred revenue - net of current portion (Note 16) | 2,643,179 | 4,057,482 |
| Total Noncurrent Liabilities | 251,664,837 | 246,708,035 |
| Total Liabilities | 2,637,758,138 | 2,237,669,871 |
| Equity | | |
| Common stock (Notes 17 and 31) - P1 par value | | |
| Authorized - 600,000,000 and 400,000,000 shares as of | | |
| December 31, 2012 and 2011, respectively | | |
| Issued - 399,325,661 and 347,329,216 shares as of | | |
| December 31, 2012 and 2011, respectively | | |
| [held by 656 and 666 equity holders in 2012 | | |
| and 2011, respectively (Note 1)] | 399,325,661 | 347,329,216 |
| Additional paid-in capital (Note 31) | 293,525,037 | 293,525,037 |
| Retained earnings (Notes 17 and 31) | 1,233,432,997 | 855,468,208 |
| Revaluation increment on land [net of deferred income tax liability | | |
| (Notes 8 and 27)] | 3,229,895 | 3,229,895 |
| | 1,929,513,590 | 1,499,552,356 |
| Cost of 686,250 shares held in treasury (Note 17) | (2,923,246) | (2,923,246) |
| Total Equity | 1,926,590,344 | 1,496,629,110 |
| TOTAL LIABILITIES AND EQUITY | P4,564,348,482 | P3,734,298,981 |

See accompanying Notes to Consolidated Financial Statements.

PHILIPPINE SEVEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | Years Ended December 31 | | |
|-----------------------------------------------|-------------------------|----------------|----------------|
| | 2012 | 2011 | 2010 |
| REVENUES | | | |
| Revenue from merchandise sales (Note 32) | ₱11,713,760,468 | ₱9,435,604,073 | ₱7,612,243,056 |
| Franchise revenue (Note 32) | 683,572,827 | 534,025,712 | 442,822,680 |
| Marketing income (Note 20) | 375,768,257 | 239,888,660 | 147,469,060 |
| Commission income (Note 32) | 67,396,391 | 37,236,539 | 29,271,506 |
| Rental income (Note 26) | 45,751,718 | 44,143,593 | 37,361,844 |
| Interest income (Notes 4, 9, 22 and 26) | 5,377,093 | 5,864,713 | 5,355,769 |
| Other income (Note 26) | 123,025,663 | 99,300,756 | 72,802,078 |
| | 13,014,652,417 | 10,396,064,046 | 8,347,325,993 |
| EXPENSES | | | |
| Cost of merchandise sales (Notes 18 and 32) | 8,523,151,274 | 6,844,562,019 | 5,388,497,887 |
| General and administrative expenses (Note 19) | 3,785,661,595 | 3,012,177,978 | 2,531,390,104 |
| Interest expense (Notes 11, 15 and 21) | 16,596,830 | 16,024,647 | 16,398,169 |
| Other expenses | 14,595,186 | 4,806,251 | 5,403,913 |
| | 12,340,004,885 | 9,877,570,895 | 7,941,690,073 |
| INCOME BEFORE INCOME TAX | 674,647,532 | 518,493,151 | 405,635,920 |
| PROVISION FOR INCOME TAX (Note 27) | 210,022,001 | 162,150,162 | 128,755,672 |
| NET INCOME | 464,625,531 | 356,342,989 | 276,880,248 |
| OTHER COMPREHENSIVE INCOME | - | - | - |
| TOTAL COMPREHENSIVE INCOME | ₱464,625,531 | ₱356,342,989 | ₱276,880,248 |
| BASIC/DILUTED EARNINGS | | | |
| PER SHARE (Note 28) | ₱1.17 | ₱0.89 | ₱0.69 |

See accompanying Notes to Consolidated Financial Statements.

PHILIPPINE SEVEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010

| | Common Stock (Note 17) | Additional Paid-in Capital | Retained Earnings (Note 17) | Revaluation Increment on Land - net (Note 8) | Total | Treasury Stock (Note 17) | Total |
|-----------------------------------------|---------------------------|-------------------------------|-----------------------------------|-------------------------------------------------------|-----------------------|--------------------------------|-----------------------|
| BALANCES AS OF DECEMBER 31, 2009 | ₱287,761,172 | ₱293,525,037 | ₱326,309,628 | ₱3,229,895 | ₱910,825,732 | (₱2,923,246) | ₱907,902,486 |
| Total comprehensive income: | | | | | | | |
| Net income for the year | – | – | 276,880,248 | – | 276,880,248 | – | 276,880,248 |
| Other comprehensive income | – | – | – | – | – | – | – |
| Stock dividends (Note 17) | 14,353,746 | – | (14,353,746) | – | – | – | – |
| Cash dividends (Note 17) | – | – | (14,353,746) | – | (14,353,746) | – | (14,353,746) |
| BALANCES AS OF DECEMBER 31, 2010 | 302,114,918 | 293,525,037 | 574,482,384 | 3,229,895 | 1,173,352,234 | (2,923,246) | 1,170,428,988 |
| Total comprehensive income: | | | | | | | |
| Net income for the year | – | – | 356,342,989 | – | 356,342,989 | – | 356,342,989 |
| Other comprehensive income | – | – | – | – | – | – | – |
| Stock dividends (Note 17) | 45,214,298 | – | (45,214,298) | – | – | – | – |
| Cash dividends (Note 17) | – | – | (30,142,867) | – | (30,142,867) | – | (30,142,867) |
| BALANCES AS OF DECEMBER 31, 2011 | 347,329,216 | 293,525,037 | 855,468,208 | 3,229,895 | 1,499,552,356 | (2,923,246) | 1,496,629,110 |
| Total comprehensive income: | | | | | | | |
| Net income for the year | – | – | 464,625,531 | – | 464,625,531 | – | 464,625,531 |
| Other comprehensive income | – | – | – | – | – | – | – |
| Stock dividends (Note 17) | 51,996,445 | – | (51,996,445) | – | – | – | – |
| Cash dividends (Note 17) | – | – | (34,664,297) | – | (34,664,297) | – | (34,664,297) |
| BALANCES AS OF DECEMBER 31, 2012 | ₱399,325,661 | ₱293,525,037 | ₱1,233,432,997 | ₱3,229,895 | ₱1,929,513,590 | (₱2,923,246) | ₱1,926,590,344 |

See accompanying Notes to Consolidated Financial Statements.

PHILIPPINE SEVEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Years Ended December 31 | | |
|---------------------------------------------------------------|-------------------------|---------------|---------------|
| | 2012 | 2011 | 2010 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Income before income tax | ₱674,647,532 | ₱518,493,151 | ₱405,635,920 |
| Adjustments for: | | | |
| Depreciation and amortization (Notes 8 and 19) | 527,786,925 | 378,355,521 | 291,803,754 |
| Interest expense (Notes 11, 15, and 21) | 16,596,830 | 16,024,647 | 16,398,169 |
| Net retirement benefits cost (Notes 23 and 24) | 16,206,912 | 12,368,401 | 11,220,501 |
| Interest income (Notes 4, 9, 22 and 26) | (5,377,093) | (5,864,713) | (5,355,769) |
| Amortization of: | | | |
| Deferred lease (Notes 10 and 26) | 2,485,728 | 2,779,684 | 1,414,700 |
| Software and other program costs (Notes 10 and 19) | 1,490,475 | 2,598,741 | 3,089,728 |
| Deferred revenue on exclusivity contract (Notes 16 and 32) | (1,934,524) | (1,934,524) | (5,476,190) |
| Deferred revenue on finance lease (Notes 16 and 26) | (589,567) | (589,567) | (709,665) |
| Unrealized foreign exchange loss (gain) | 439,728 | (49,798) | 378,900 |
| Loss on retirement of property and equipment | – | – | 67,751 |
| Operating income before working capital changes | 1,231,752,946 | 922,181,543 | 718,467,799 |
| Decrease (increase) in: | | | |
| Receivables | (130,841,872) | (75,684,791) | 14,301,014 |
| Inventories | (207,727,627) | (116,839,359) | 13,233,094 |
| Prepayments and other current assets | (97,485,749) | (32,811,310) | (58,286,054) |
| Increase (decrease) in: | | | |
| Accounts payable and accrued expenses | 17,353,481 | 165,298,414 | 50,754,902 |
| Other current liabilities | 243,445,876 | 32,636,218 | 21,551,666 |
| Deposits payable | 10,443,405 | 28,595,696 | 22,895,083 |
| Deferred revenue | 1,109,788 | (418,727) | 5,133,336 |
| Retirement benefits contributions (Note 24) | (20,279,212) | (4,629,263) | (9,434,042) |
| Cash generated from operations | 1,047,771,036 | 918,328,421 | 778,616,797 |
| Income taxes paid | (181,147,036) | (133,352,439) | (118,023,813) |
| Interest received | 2,866,833 | 2,933,116 | 3,711,520 |
| Net cash provided by operating activities | 869,490,833 | 787,909,098 | 664,304,504 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Additions to: | | | |
| Property and equipment (Note 8) | (858,674,993) | (717,091,736) | (671,923,830) |
| Software and other program costs (Note 10) | (190,000) | – | (161,900) |
| Decrease (increase) in: | | | |
| Deposits | (35,553,176) | (37,156,223) | (28,984,235) |
| Goodwill and other noncurrent assets | (7,405,740) | (7,922,962) | 6,339,916 |
| Short-term investment | (222,208) | (268,352) | (10,141,555) |
| Collection of lease receivable (Note 26) | 1,591,280 | 1,591,280 | 1,775,466 |
| Net cash used in investing activities | (900,454,837) | (760,847,993) | (703,096,138) |

(Forward)

| | Years Ended December 31 | | |
|-------------------------------------------------------------------------|--------------------------------|---------------|---------------|
| | 2012 | 2011 | 2010 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Availments of bank loans (Note 11) | ₱210,000,000 | ₱230,000,000 | ₱290,000,000 |
| Payments of bank loans (Note 11) | (106,888,889) | (175,333,333) | (310,000,000) |
| Interest paid | (16,597,779) | (15,725,011) | (16,577,074) |
| Cash dividends paid (Note 17) | (34,664,297) | (30,142,867) | (14,353,746) |
| Net cash provided by (used in) financing activities | 51,849,035 | 8,798,789 | (50,930,820) |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | | | |
| | (296,211) | 107,321 | (378,900) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | | | |
| | 20,588,820 | 35,967,215 | (90,101,354) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | | | |
| | 394,696,749 | 358,729,534 | 448,830,888 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | | | |
| | ₱415,285,569 | ₱394,696,749 | ₱358,729,534 |

See accompanying Notes to Consolidated Financial Statements.

PHILIPPINE SEVEN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information and Authorization for Issuance of the Consolidated Financial Statements

Corporate Information

Philippine Seven Corporation (the Company or PSC) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on November 29, 1982. The Company and its subsidiaries (collectively referred to as “the Group”), are primarily engaged in the business of retailing, merchandising, buying, selling, marketing, importing, exporting, franchising, acquiring, holding, distributing, warehousing, trading, exchanging or otherwise dealing in all kinds of grocery items, dry goods, food or foodstuffs, beverages, drinks and all kinds of consumer needs or requirements and in connection therewith, operating or maintaining warehouses, storages, delivery vehicles and similar or incidental facilities. The Group is also engaged in the management, development, sale, exchange, and holding for investment or otherwise of real estate of all kinds, including buildings, houses and apartments and other structures.

The Company is controlled by President Chain Store (Labuan) Holdings, Ltd., an investment holding company incorporated in Malaysia, which owns 51.56% of the Company’s outstanding shares. The remaining 48.44% of the shares are widely held. The ultimate parent of the Company is President Chain Store Corporation (PCSC), which is incorporated in Taiwan, Republic of China.

The Company has its primary listing on the Philippine Stock Exchange. As of December 31, 2012 and 2011, the Company has 656 and 666 equity holders, respectively.

The registered business address of the Company is 7th Floor, The Columbia Tower, Ortigas Avenue, Mandaluyong City.

Authorization for Issuance of the Consolidated Financial Statements

The consolidated financial statements as of December 31, 2012 and 2011 and for each of the three years in the period ended December 31, 2012 were authorized for issue by the Board of Directors (BOD) on February 18, 2013.

2. Summary of Significant Accounting Policies and Financial Reporting Practices

Basis of Preparation

The consolidated financial statements are prepared under the historical cost basis, except for parcels of land, which are carried at revalued amount. The consolidated financial statements are presented in Philippine Peso (Peso), which is the Company’s functional currency and all amounts are rounded to the nearest Peso except when otherwise indicated.

Statement of Compliance

The consolidated financial statements, which are prepared for submission to the SEC, are prepared in compliance with Philippine Financial Reporting Standards (PFRS). PFRS also includes Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial Reporting Standards Council (FRSC).

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except for the following amended PFRS and PAS, which were adopted on January 1, 2012.

- *Amendments to PFRS 7, Financial Instruments: Disclosures - Transfers of Financial Assets*
The amendments require additional disclosures about financial assets that have been transferred but not derecognized to enhance the understanding of the relationship between those assets that have not been derecognized and their associated liabilities. In addition, the amendments require disclosures about continuing involvement in derecognized assets to enable users of financial statements to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognized assets. The amendments affect disclosures only and have no impact on the Group's financial position or performance.
- *Amendments to PAS 12, Income Taxes - Deferred Tax: Recovery of Underlying Assets*
This amendment to PAS 12 clarifies the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that the carrying amount of investment property measured using the fair value model in PAS 40, *Investment Property*, will be recovered through sale and, accordingly, requires that any related deferred tax should be measured on a 'sale' basis. The presumption is rebutted if the investment property is depreciable and it is held within a business model whose objective is to consume substantially all of the economic benefits in the investment property over time ('use' basis), rather than through sale. Furthermore, the amendment introduces the requirement that deferred tax on non-depreciable assets measured using the revaluation model in PAS 16, *Property, Plant and Equipment*, always be measured on a sale basis of the asset.

The Group has parcels of land under PAS 16 carried under the revaluation model. These assets are all classified as ordinary assets for income tax purposes. As the jurisdiction in which the Group operates does not have a different tax rate for 'sale' or 'use' basis of assets classified as ordinary assets for income tax purposes, the amendment has no impact on the consolidated financial statements of the Group.

New Accounting Standards, Interpretations and Amendments to Existing Standards Effective Subsequent to December 31, 2012

The Group will adopt the following standards, interpretations and amendments to existing standards enumerated below when these become effective. Except as otherwise indicated, the Group does not expect the adoption of these standards, interpretations and amendments to existing standards to have a significant impact on the consolidated financial statements.

Effective in 2013

- *Amendments to PFRS 7, Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities*
These amendments require an entity to disclose information about rights of set-off and related arrangements (such as collateral agreements). The new disclosures are required for all recognized financial instruments that are set-off in accordance with PAS 32, *Financial Instruments: Presentation - Classification of Rights Issues*. These disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or 'similar agreement', irrespective of whether they are set-off in accordance with PAS 32. The amendments require entities to disclose, in a tabular format unless another format is more appropriate, the following minimum quantitative information:

- a) The gross amounts of those recognized financial assets and recognized financial liabilities;
- b) The amounts that are set-off in accordance with the criteria in PAS 32 when determining the net amounts presented in the balance sheet;
- c) The net amounts presented in the balance sheet;
- d) The amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in (b) above, including:
 - i. Amounts related to recognized financial instruments that do not meet some or all of the offsetting criteria in PAS 32; and
 - ii. Amounts related to financial collateral (including cash collateral); and
- e) The net amount after deducting the amounts in (d) from the amounts in (c) above.

This is presented separately for financial assets and financial liabilities recognized at the end of the balance sheet period. The amendments to PFRS 7 are to be applied retrospectively and are effective for annual periods beginning on or after January 1, 2013. The amendments affect disclosures only and have no impact on the Group's financial position or performance.

- **PFRS 10, *Consolidated Financial Statements***
PFRS 10 replaces the portion of PAS 27, *Consolidated and Separate Financial Statements*, that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC 12, *Consolidation - Special Purpose Entities*. PFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by PFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in PAS 27. The standard becomes effective for annual periods beginning on or after January 1, 2013.

A reassessment of control was performed by the Company in accordance with the provisions of PFRS 10. The Company determined that there will be no change in the composition of subsidiaries currently included in the consolidated financial statements.

- **PFRS 11, *Joint Arrangements***
PFRS 11 replaces PAS 31, *Interests in Joint Ventures*, and SIC 13, *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*. PFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, jointly controlled entities that meet the definition of a joint venture must be accounted for using the equity method. The standard becomes effective for annual periods beginning on or after January 1, 2013.
- **PFRS 12, *Disclosure of Interest with Other Entities***
PFRS 12 includes all of the disclosures related to consolidated financial statements that were previously in PAS 27, as well as all the disclosures that were previously included in PAS 31 and PAS 28, *Investments in Associates*. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. The standard becomes effective for annual periods beginning on or after January 1, 2013.

Adoption of PFRS 12 will affect disclosures only and have no impact on the Group's financial position or performance.

- **PFRS 13, *Fair Value Measurement***
PFRS 13 establishes a single source of guidance under PFRSs for all fair value measurements. PFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS when fair value is required or permitted.

This standard should be applied prospectively as of the beginning of the annual period in which it is initially applied. Its disclosure requirements need not be applied in comparative information provided for periods before initial application of PFRS 13.

The Group is currently assessing the impact of adopting this standard, but based on preliminary analyses, no material impact is expected, apart from additional disclosures required by the standard.

- Amendments to PAS 1, *Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income or OCI*
The amendments to PAS 1 change the grouping of items presented in OCI. Items that can be reclassified (or “recycled”) to profit or loss at a future point in time (for example, upon derecognition or settlement) will be presented separately from items that will never be recycled. The amendment becomes effective for annual periods beginning on or after July 1, 2012. The amendments will be applied retrospectively and will result to the modification of the presentation of items of OCI. The amendments affect presentation only and have no impact on the Group’s financial position or performance.
- Amendment to PAS 19, *Employee Benefits (Revised)*
Amendments to PAS 19 range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and rewording. The revised standard also requires new disclosures such as, among others, a sensitivity analysis for each significant actuarial assumption, information on asset-liability matching strategies, duration of the defined benefit obligation, and disaggregation of plan assets by nature and risk. The amendments become effective for annual periods beginning on or after January 1, 2013. Once effective, the Group has to apply the amendments retroactively to the earliest period presented.

The Group reviewed its existing employee benefits and determined that the amended standard has significant impact on its accounting for retirement benefits. The Group obtained the services of an external actuary to compute the impact to the financial statements upon adoption of the standard. The accounts below are expected to increase (decrease) as follows:

Consolidated balance sheets

| | As at December 31, 2012 | As at January 1, 2012 |
|----------------------------|----------------------------|--------------------------|
| Net retirement obligations | ₱24,892,273 | ₱25,063,278 |
| Deferred income tax asset | 7,467,682 | 7,518,983 |
| Retained earnings | (17,424,591) | (17,544,295) |

Consolidated statements of comprehensive income

| | 2012 | 2011 |
|------------------------------|------------|-------------|
| Net retirement benefits cost | (₱786,417) | (₱600,386) |
| Income tax expense | 235,925 | 180,116 |
| Net income for the year | 550,492 | 420,270 |
| Other comprehensive income | (430,788) | (7,183,143) |
| Total comprehensive income | 119,704 | (6,762,873) |

- Amendment to PAS 27, *Separate Financial Statements (Revised)*
As a consequence of the issuance of the new PFRS 10 and PFRS 12, what remains of PAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in the separate financial statements. The amendment becomes effective for annual periods beginning on or after January 1, 2013.
- Amendment to PAS 28, *Investments in Associates and Joint Ventures (Revised)*
As a consequence of the issuance of the new PFRS 11 and PFRS 12, PAS 28, *Investments in Associates*, has been renamed PAS 28, *Investments in Associates and Joint Ventures*, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment becomes effective for annual periods beginning on or after January 1, 2013.
- Philippine Interpretation IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine*
This interpretation applies to waste removal costs (“stripping costs”) that are incurred in surface mining activity during the production phase of the mine (“production stripping costs”). The interpretation becomes effective for annual periods beginning on or after January 1, 2013. The new interpretation is not relevant to the Group.

Effective in 2014

- Amendments to PAS 32, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*
The amendments clarify the meaning of “currently has a legally enforceable right to set-off” and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments to PAS 32 are to be retrospectively applied for annual periods beginning on or after January 1, 2014. The amendments affect presentation only and have no impact on the Group’s financial position or performance.

Effective in 2015

- PFRS 9, *Financial Instruments*
PFRS 9, as issued, reflects the first phase on the replacement of PAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in PAS 39, *Financial Instruments: Recognition and Measurement*. Work on impairment of financial instruments and hedge accounting is still ongoing, with a view to replacing PAS 39 in its entirety. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through OCI or profit or loss. Equity financial assets held for trading must be measured at fair value through profit or loss. For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability’s credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward into PFRS 9, including the embedded derivative separation rules and the criteria for using the FVO. PFRS 9 is effective for annual periods beginning on or after January 1, 2015.

The adoption of the first phase of PFRS 9 may have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on the classification and measurement of financial liabilities.

As of December 31, 2012, the Group did not conduct an evaluation of the impact of PFRS 9 in its consolidated financial statements. The Group did not early adopt PFRS 9 in its December 31, 2012 consolidated financial statements. The Group will assess the impact of PFRS 9 in its consolidated financial statements upon completion of all phases of PFRS 9.

Effective date to be determined

- *Philippine Interpretation IFRIC 15, Agreements for the Construction of Real Estate*
This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The SEC and the FRSC have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. Adoption of the interpretation when it becomes effective will not have any impact on the financial statements of the Group.

Annual Improvements to PFRSs (2009-2011 cycle)

The *Annual Improvements to PFRSs (2009-2011 cycle)* contain non-urgent but necessary amendments to PFRSs. The amendments are effective for annual periods beginning on or after January 1, 2013 and are applied retrospectively. Earlier application is permitted.

- *PFRS 1, First-time Adoption of PFRS - Borrowing Costs*
The amendment clarifies that, upon adoption of PFRS, an entity that capitalized borrowing costs in accordance with its previous generally accepted accounting principles, may carry forward, without any adjustment, the amount previously capitalized in its opening balance sheet at the date of transition. Subsequent to the adoption of PFRS, borrowing costs are recognized in accordance with PAS 23, *Borrowing Costs*. The amendment does not apply to the Group as it is not a first-time adopter of PFRS.
- *PAS 1, Presentation of Financial Statements - Clarification of the Requirements for Comparative Information*
The amendments clarify the requirements for comparative information that are disclosed voluntarily and those that are mandatory due to retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional comparative period does not need to contain a complete set of financial statements. On the other hand, supporting notes for the third balance sheet (mandatory when there is a retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements) are not required. The amendments affect disclosures only and have no impact on the Group's financial position or performance.
- *PAS 16, Property, Plant and Equipment - Classification of Servicing Equipment*
The amendment clarifies that spare parts, stand-by equipment and servicing equipment should be recognized as property, plant and equipment when they meet the definition of property, plant and equipment and should be recognized as inventory if otherwise. The amendment will not have any significant impact on the Group's financial position or performance.

- PAS 32, *Financial Instruments: Presentation - Tax Effect of Distributions to Holders of Equity Instruments*

The amendment clarifies that income taxes relating to distributions to equity holders and to transaction costs of an equity transaction are accounted for in accordance with PAS 12. The Group expects that this amendment will not have any impact on its financial position or performance.

- PAS 34, *Interim Financial Reporting - Interim Financial Reporting and Segment Information for Total Assets and Liabilities*

The amendment clarifies that the total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the entity's previous annual financial statements for that reportable segment. The amendment affects disclosures only and has no impact on the Group's financial position or performance.

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and the following subsidiaries:

| | Country of Incorporation | Percentage of Ownership |
|--------------------------------------|-----------------------------|----------------------------|
| Convenience Distribution, Inc. (CDI) | Philippines | 100 |
| Store Sites Holding, Inc. (SSHI) | Philippines | 100 |

Subsidiaries are those entities in which the Company has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies through interlocking directorships such that substantial benefits from the subsidiaries' activities flow to the Company. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date on which control ceases. The results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date of acquisition or up to the date of the disposal, as appropriate.

SSHI's capital stock, which is divided into 40% common shares and 60% preferred shares are owned by the Company and by Philippine Seven Corporation-Employees Retirement Plan (PSC-ERP) through its trustee, Bank of the Philippines Islands-Asset Management and Trust Group (BPI-AMTG), respectively. These preferred shares which accrue and pay guaranteed preferred dividends and are redeemable at the option of the holder are recognized as a financial liability in accordance with PFRS (see Note 15). The Company owns 100% of SSHI's common shares, which, together with common key management, gives the Company control over SSHI.

The financial statements of the subsidiaries are prepared for the same balance sheet period as the Company, using uniform accounting policies. Intercompany transactions, balances and unrealized gains and losses are eliminated in full.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from the date of acquisition and that are subject to an insignificant risk of change in value.

Financial Instruments

The Group recognizes a financial asset or a financial liability in the consolidated balance sheet when it becomes a party to the contractual provisions of the instrument.

Initial Recognition and Measurement

Financial assets and financial liabilities are recognized initially at fair value. Transaction costs are included in the initial measurement of all financial assets and financial liabilities, except for financial instruments measured at fair value through profit or loss (FVPL).

All regular way purchases and sales of financial assets are recognized on the trade date, i.e. the date the Group commits to purchase or sell the financial asset. Regular way purchases or sales of financial assets require delivery of assets within the time frame generally established by regulation in the market place.

The Group classifies its financial assets as financial assets at FVPL, held-to-maturity (HTM) financial assets, available-for-sale (AFS) financial assets or loans and receivables. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or other financial liabilities. The classification depends on the purpose for which the financial assets and financial liabilities were acquired. Management determines the classification at initial recognition and, where allowed and appropriate, re-evaluates classification at every balance sheet date.

As of December 31, 2012 and 2011, the Group has no financial assets or liabilities at FVPL, HTM financial assets and AFS financial assets.

The Group's financial instruments are as follows:

a. **Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently carried either at cost or amortized cost in the consolidated balance sheet. Amortization is determined using the effective interest rate method. Loans and receivables are classified as current assets if maturity is within 12 months from balance sheet date. Otherwise, these are classified as noncurrent assets.

The Group's loans and receivables consists of cash and cash equivalents, short-term investment, receivables and deposits (excluding rent deposits) as of December 31, 2012 and 2011 (see Note 29).

b. **Other Financial Liabilities**

This category pertains to financial liabilities that are neither held-for-trading nor designated as at FVPL upon the inception of the liability. Other financial liabilities are subsequently carried at amortized cost, taking into account the impact of applying the effective interest rate method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs.

Other financial liabilities are classified as current liabilities if maturity is within the normal operating cycle of the Company and it does not have unconditional right to defer settlement of the liability for at least 12 months from balance sheet date. Otherwise, these are classified as noncurrent liabilities.

The Group's other financial liabilities consist of bank loans, accounts payable and accrued expenses, other current liabilities, and cumulative redeemable preferred shares as of December 31, 2012 and 2011 (see Note 29).

Determination of Fair Value

The fair value of financial instruments traded in active markets at balance sheet date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without deduction for transaction costs. When current bid and ask prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include present value techniques, comparison to similar instruments for which observable market prices exist, and other relevant valuation models.

Day 1 Difference

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a Day 1 difference) in profit or loss unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the Day 1 difference.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment of Financial Assets

The Group assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired.

Financial Assets Carried at Amortized Cost

If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced by the impairment loss, which is recognized in profit or loss.

The Group first assesses whether objective evidence of impairment exists for financial assets that are individually significant and collectively for financial assets that are not individually significant. Objective evidence includes observable data that comes to the attention of the Group about loss events such as but not limited to significant financial difficulty of the counterparty, a breach of contract, such as a default or delinquency in interest or principal payments, probability that the borrower will enter bankruptcy or other financial reorganization. If it is determined that no objective evidence of impairment exists for an individually or collectively assessed financial asset, whether significant or not, the asset is included in the group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is or continue to be recognized are not included in a collective assessment of impairment. The impairment assessment is performed at each balance sheet date. For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of such credit risk characteristics such as customer type, payment history, past-due status and term.

Loans and receivables, together with the related allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realized. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Derecognition of Financial Assets and Liabilities

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a pass-through arrangement; or
- the Group has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realizable value (NRV). Cost of inventories is determined using the first-in, first-out method. NRV is the selling price in the ordinary course of business, less the estimated cost of marketing and distribution.

Prepayments and Other Current Assets

Prepayments and other current assets are primarily comprised of advances to suppliers, deferred input value-added tax (VAT), prepaid rent and prepaid store expenses. Prepayments and other current assets that are expected to be realized for no more than 12 months after the balance sheet date are classified as current assets; otherwise, these are classified as other noncurrent assets.

Advances to suppliers are downpayments for acquisitions of property and equipment not yet received. Once the property and equipment are received, the asset is recognized together with the corresponding liability. These are stated at cost less any impairment in value.

Property and Equipment

Property and equipment, except for land, are carried at cost less accumulated depreciation and amortization, and any impairment in value.

The initial cost of property and equipment consists of its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the assets have been put into operation, such as repairs and maintenance and overhaul costs, are recognized in profit or loss in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of the assets.

Construction in progress includes cost of construction and other direct costs and is stated at cost less any impairment in value. Construction in progress is not depreciated until such time the relevant assets are completed and put into operational use.

Depreciation and amortization commence once the assets are available for use. It ceases at the earlier of the date that it is classified as noncurrent asset held-for-sale and the date the asset is derecognized.

Depreciation is computed on a straight-line method over the estimated useful lives of the assets as follows:

| | <u>Years</u> |
|--------------------------------|--------------|
| Buildings and improvements | 10 to 12 |
| Store furniture and equipment | 5 to 10 |
| Office furniture and equipment | 3 to 5 |
| Transportation equipment | 3 to 5 |
| Computer equipment | 3 |

Leasehold improvements are amortized over the estimated useful life of the improvements, ranging from five to ten years, or the term of the lease, whichever is shorter.

The assets' estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from the items of property and equipment. When assets are retired or otherwise disposed of, the cost or revalued amount and the related accumulated depreciation and amortization and any impairment in value are removed from the accounts and any resulting gain or loss is recognized in profit or loss. The revaluation increment in equity relating to the revalued asset sold is transferred to retained earnings.

Fully depreciated assets are retained in the books until disposed.

Land is carried at revalued amount less any impairment in value. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the balance sheet period. When the fair value of a revalued land differs materially from its carrying amount, a further revaluation is required.

A revaluation surplus is recorded in OCI and credited to the “Revaluation increment on land - net of deferred tax” account in equity. However, to the extent that the Group reverses a revaluation deficit previously recognized in profit or loss, the increase is recognized in profit or loss. A revaluation deficit is recognized in the profit or loss, except to the extent that it offsets an existing surplus.

Deposits

Deposits are amounts paid as guarantee in relation to noncancelable lease agreements entered into by the Group. These deposits are recognized at cost and can be refunded or applied to future billings.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and any accumulated impairment loss, if any. Internally-generated intangible assets, if any, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and amortization method for an intangible asset with a finite useful life is reviewed at least at each balance sheet date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in profit or loss in the expense category consistent with the function of the intangible asset. Intangible assets with indefinite useful lives are tested for impairment annually at the cash generating unit level and are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite useful life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Software and Program Cost

Software and program cost, which are not specifically identifiable and integral to a specific computer hardware, are shown under “Goodwill and other noncurrent assets” in the consolidated balance sheet. These are carried at cost, less accumulated amortization and any impairment in value. Amortization is computed on a straight-line method over their estimated useful life of five years.

Goodwill

Goodwill, included in “Goodwill and other noncurrent assets” in the consolidated balance sheet, represents the excess of the cost of an acquisition over the fair value of the businesses acquired. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Impairment of Non-financial Assets

The Group assesses at each balance sheet date whether there is an indication that its non-financial assets such as property and equipment, deposits and intangible assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. For land, the asset's recoverable amount is the land's net selling price, which may be obtained from its sale in an arm's length transaction. For goodwill, the asset's recoverable amount is its value-in-use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Impairment losses, if any, are recognized in profit or loss, except for revalued property and equipment when revaluation was taken to OCI. In this case, the impairment is also recognized in OCI up to the amount of any previous revaluation.

For non-financial assets, excluding goodwill, an assessment is made at each balance sheet date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in previous years. Such reversal is recognized in profit or loss, unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Goodwill is reviewed for impairment, annually or more frequently if event or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit or group of cash-generating units to which the goodwill relates. Where the recoverable amount of the cash-generating unit or group of cash-generating units is less than the carrying amount of the cash-generating unit or group of cash-generating units to which goodwill has been allocated, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Deposits Payable

Deposits payable are amounts received from franchisees, store operators and sub lessees as guarantee in relation to various agreements entered into by the Group. These deposits are recognized at cost and payable or applied to future billings.

Cumulative Redeemable Preferred Shares

Cumulative redeemable preferred shares that exhibit characteristics of a liability is recognized as a financial liability in the consolidated balance sheet, net of transaction cost. The corresponding dividends on those shares are charged as interest expense in profit or loss.

Deferred Revenue

Deferred revenue is recognized for cash received for income not yet earned. Deferred revenue is recognized as revenue over the life of the revenue contract or upon delivery of goods or services.

Equity

Common Stock

Common stock is measured at par value for all shares issued and outstanding.

Additional Paid-in Capital

When the shares are sold at premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Group, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Retained Earnings

Retained earnings represent the cumulative balance of periodic net income or loss and changes in accounting policy. When the retained earnings account has a debit balance, it is called "deficit." A deficit is not an asset but a deduction from equity.

Treasury Stock

Treasury stock is stated at acquisition cost and is deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Group's own equity instruments.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. The Group has assessed its revenue arrangements against the criteria enumerated under PAS 18, *Revenue Recognition*, and concluded that it is acting as principal in all arrangements, except for its sale of consigned goods. The following specific recognition criteria must also be met before revenue is recognized:

Merchandise Sales

Revenue from merchandise sales is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue is measured at the fair value of the consideration received, excluding discounts, returns, rebates and sales taxes.

Franchise

Franchise fee is recognized upon execution of the franchise agreement and performance of initial services required under the franchise agreement. Franchise revenue is recognized in the period earned.

Marketing

Marketing income is recognized when service is rendered. In case of marketing support funds, revenue is recognized upon start of promotional activity for the suppliers.

Rental

Rental income is accounted for on a straight-line basis over the term of the lease.

Commission

Commission income is recognized upon the sale of consigned goods.

Interest

Interest income is recognized as it accrues based on the effective interest rate method.

Costs and Expenses Recognition

Costs of merchandise sold are recognized in profit or loss at the point of sale. Expenses are recognized in profit or loss upon utilization of the services or when they are incurred.

Other Comprehensive Income

Other comprehensive income comprises items of income and expense (including items previously presented under the statement of changes in equity) that are not recognized in profit or loss for the year in accordance with PFRS.

Retirement Benefits

Retirement benefits cost is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses for each individual plan at the end of the previous balance sheet year exceeded 10% of the higher of the present value of the retirement obligations and the fair value of the net plan assets as of that date. These gains or losses are recognized over the expected average remaining working lives of the employees participating in the plan.

Past service cost is recognized as an expense in profit or loss on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested following the introduction of, or changes to the plan, past service cost is recognized immediately.

The net retirement obligation is the aggregate of the present value of the retirement obligation and actuarial gains and losses not recognized reduced by past service cost not yet recognized and the fair value of the net plan assets out of which obligations are to be settled directly. If such aggregate is negative, the asset is measured at the lower of such aggregate or the aggregate of cumulative unrecognized net actuarial losses and past service cost and the present value of any economic benefits available in the form of refund from the plan or reductions in the future contributions to the plan.

Leases

Finance leases, which transfer to the lessee substantially all the risks and rewards of ownership of the asset, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the interest income and reduction of the lease receivable so as to achieve a constant rate of interest on the remaining balance of the receivable. Interest income is recognized directly in profit or loss.

Leases where the lessor retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Operating leases are recognized as an expense in profit or loss on a straight-line basis over the lease term.

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

- a. there is a change in contractual terms, other than a renewal or extension of the arrangement; or
- b. a renewal option is exercised or extension is granted, unless the term of the renewal or extension was initially included in the lease term; or
- c. there is a change in the determination of whether fulfillment is dependent on a specified asset;
or
- d. there is a substantial change to the asset.

Where a re-assessment is made, lease accounting shall commence or cease from the date when the change in circumstance gave rise to the re-assessment for scenarios (a), (c) or (d) above, and the date of renewal or extension for scenario (b).

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign Currency-denominated Transactions

Transactions in foreign currency are initially recorded at the exchange rate at the date of transaction. Outstanding foreign currency-denominated monetary assets and liabilities are translated using the applicable exchange rate at balance sheet date. Exchange differences arising from translation of foreign currency monetary items at rates different from those at which they were originally recorded are recognized in profit or loss.

Taxes

Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the balance sheet date.

Deferred Income Tax

Deferred income tax is recognized for all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences can be utilized.

Deferred income tax relating to items recognized directly in equity is recognized in profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred income tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

VAT

Input VAT is the 12% indirect tax paid by the Group in the course of the Group's trade or business on local purchase of goods or services, including lease or use of property, from a VAT-registered entity. For acquisition of capital goods over ₱1,000,000, the related input taxes are deferred and amortized over the useful life of the asset or 60 months, whichever is shorter, commencing on the date of acquisition. Deferred input VAT which is expected to be utilized for more than 12 months after the balance sheet date is included under "Goodwill and other noncurrent assets" account in the consolidated balance sheet.

Output VAT pertains to the 12% tax due on the sale of merchandise and lease or exchange of taxable goods or properties or services by the Group.

If at the end of any taxable month the output VAT exceeds the input VAT, the excess shall be paid by the Group. Any outstanding balance is included under "Accounts payable and accrued expenses" account in the consolidated balance sheet. If the input VAT exceeds the output VAT, the excess shall be carried over to the succeeding month or months. Excess input VAT is included under "Prepayments and other current assets" account in the consolidated balance sheet. Input VAT on capital goods may, at the option of the Group, be refunded or credited against other internal revenue taxes, subject to certain tax laws.

Revenue, expenses and assets are recognized net of the amount of VAT.

Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated by dividing the net income or (loss) for the year attributable to common shareholders by the weighted average number of shares outstanding during the year, excluding treasury shares.

Diluted earnings (loss) per share is calculated by dividing the net income or (loss) for the year attributable to common shareholders by the weighted average number of shares outstanding during the year, excluding treasury shares and adjusted for the effects of all potential dilutive common shares, if any.

In determining both the basic and diluted earnings (loss) per share, the effect of stock dividends, if any, is accounted for retrospectively.

Segment Reporting

Operating segments are components of an entity for which separate financial information is available and evaluated regularly by management in deciding how to allocate resources and assessing performance. The Group considers the store operation as its primary activity and its only business segment. Franchising, renting of properties and commissioning on bills payment services are considered an integral part of the store operations.

Provisions

Provisions are recognized when: (a) the Group has a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. When the Group expects a provision or loss to be reimbursed, the

reimbursement is recognized as a separate asset only when the reimbursement is virtually certain and its amount is estimable. The expense relating to any provision is presented in profit or loss, net of any reimbursement.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefit is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the consolidated financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements.

Events after the Balance Sheet Date

Post year-end events that provide additional information about the Group's position at the balance sheet date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are non-adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. Use of Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and notes. The judgments, estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of balance sheet date. Future events may occur which can cause the assumptions used in arriving at those judgments, estimates and assumptions to change. The effects of any changes will be reflected in the consolidated financial statements of the Group as they become reasonably determinable.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on amounts recognized in the consolidated financial statements:

Determination of Functional Currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Peso. The Peso is the currency of the primary economic environment in which the Company operates. It is the currency that mainly influences the revenue, costs and expenses of the Company.

Classification of Financial Instruments

The Group classifies a financial instrument, or its components, on initial recognition as a financial asset, liability or equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, liability or equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated balance sheet.

Financial assets are classified as financial assets at FVPL, HTM financial assets, AFS financial assets and loans and receivables. Financial liabilities, on the other hand, are classified as financial liabilities at FVPL and other financial liabilities.

The Group determines the classification at initial recognition and, where allowed and appropriate, re-evaluates this classification at every balance sheet date.

The Group's financial instruments consist of loans and receivables and other financial liabilities (see Note 29).

Classification of Leases

a. Finance lease as lessor

The Group entered into a sale and leaseback transaction with an armored car service provider where it has determined that the risks and rewards related to the armored vehicles leased out will be transferred to the lessee at the end of the lease term. As such, the lease agreement was accounted for as a finance lease (see Note 26).

b. Operating lease as lessee

The Group entered into various property leases, where it has determined that the risks and rewards related to the properties are retained with the lessors. As such, the lease agreements were accounted for as operating leases (see Note 26).

c. Operating lease as lessor

The Company entered into property subleases on its leased properties. The Company determined that it retains all the significant risks and rewards of these properties which are leased out on operating leases (see Note 26).

Impairment of Non-financial Assets Other than Goodwill

The Group assesses whether there are any indicators of impairment for all non-financial assets, other than goodwill, at each balance sheet date. These non-financial assets (property and equipment, rent deposits, and software and program cost) are tested for impairment when there are indicators that the carrying amounts may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business;
- significant negative industry or economic trends; and
- decline in appraised value.

As of December 31, 2012 and 2011, the Group has not identified any indicators or circumstances that would indicate that the Group's property and equipment, rent deposits and software and program costs are impaired. Thus, no impairment losses on these non-financial assets were recognized in the years ended December 31, 2012, 2011 and 2010. The carrying value of these non-financial assets is as follows:

| | 2012 | 2011 |
|--------------------------------------|-----------------------|----------------|
| Property and equipment (Note 8) | ₱2,276,921,044 | ₱1,946,032,976 |
| Rent deposits (Note 9) | 183,893,042 | 155,379,984 |
| Software and program costs (Note 10) | 1,183,651 | 2,484,126 |

Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities follow:

Determination of Fair Values

The fair value for financial instruments traded in active markets at the balance sheet date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and asking prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models, and other relevant valuation models.

Note 29 presents the fair values of the financial instruments and the methods and assumptions used in estimating their fair values.

Impairment of Loans and Receivables

The Group reviews its loans and receivables at each balance sheet date to assess whether a provision for impairment should be recognized in profit or loss or loans and receivables balance should be written off. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance. Moreover, management evaluates the presence of objective evidence of impairment which includes observable data that comes to the attention of the Group about loss events such as but not limited to significant financial difficulty of the counterparty, a breach of contract, such as a default or delinquency in interest or principal payments, probability that the borrower will enter bankruptcy or other financial re-organization.

In addition to specific allowances against individually significant loans and receivables, the Group also makes a collective impairment allowance against exposures which, although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted. This takes into consideration the credit risk characteristics such as customer type, payment history, past due status and term.

The carrying value of loans and receivables amounted to ₱869,050,177 and ₱710,118,389 as of December 31, 2012 and 2011, respectively (see Note 29). Allowance for impairment on loans and receivables amounted to ₱8,227,261 and ₱7,438,483 as of December 31, 2012 and 2011, respectively (see Note 5). Provision for impairment amounted to ₱788,778, ₱3,810,991 and ₱1,622,883 in 2012, 2011 and 2010, respectively (see Notes 5 and 19).

Decline in Inventory Value

Provisions are made for inventories whose NRV are lower than their carrying cost. This entails determination of replacement costs and costs necessary to make the sale. The estimates are based on a number of factors, such as but not limited to the age, status and recoverability of inventories.

The carrying value of inventories amounted to ₱726,986,563 and ₱519,258,936 as of December 31, 2012 and 2011, respectively (see Note 6). No provisions for decline in inventory value were recognized in 2012, 2011 and 2010.

Estimation of Useful Lives of Property and Equipment and Software and Program Cost

The Group estimates the useful lives of its property and equipment and software and program cost based on a period over which the assets are expected to be available for use and on collective assessment of industry practices, internal evaluation and experience with similar arrangement. The estimated useful lives of property and equipment and software and program cost are revisited at the end of each balance sheet period and updated if expectations differ materially from previous estimates.

Property and equipment, net of accumulated depreciation and amortization, amounted to ₱2,276,921,044 and ₱1,946,032,976 as of December 31, 2012 and 2011, respectively (see Note 8). The carrying amount of software and program cost amounted to ₱1,183,651 and ₱2,484,126 as of December 31, 2012 and 2011, respectively (see Note 10).

Revaluation of Land

The Group's parcels of land are carried at revalued amounts, which approximate its fair values at the date of the revaluation, less any subsequent accumulated impairment losses. The valuations of land are performed by independent appraisers. Revaluations are made every three to five years or more frequently as necessary, to ensure that the carrying amounts do not differ materially from those which would be determined using fair values at balance sheet date.

The last appraisal made on the Group's parcels of land was on February 5, 2007, where it resulted to an appraisal increase of ₱3,229,895, net of ₱1,384,249 deferred income tax liability. The Group believes that carrying value of the revalued parcels of land as of December 31, 2012 and 2011 amounting to ₱44,481,000 does not materially differ from its fair value as of these balance sheet dates (see Note 8).

Impairment of Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Based on the assessment made by the Group, there is no impairment of goodwill as the recoverable amount of the cash-generating units exceeds the carrying amount of the unit, including goodwill as of December 31, 2012 and 2011. The carrying value of goodwill amounted to ₱65,567,524 as of December 31, 2012 and 2011 (see Note 10). No impairment losses were recognized in 2012, 2011 and 2010 (see Note 10).

Estimation of Retirement Benefits

The determination of the net retirement obligation and related expense is dependent on management's assumptions used by the actuary in calculating such amounts. Those assumptions are described in Note 24 and include, among others, discount rates per annum, expected annual rate of return on plan assets and salary rate increase. Actual results that differ from the Group's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the retirement obligations.

The Group's net retirement obligations amounted to ₱61,120,420 and ₱65,192,720 as of December 31, 2012 and 2011, respectively (see Note 24). Retirement benefits cost amounted to ₱16,206,912, ₱12,368,401 and ₱11,220,501 in 2012, 2011 and 2010, respectively (see Notes 23 and 24).

Provisions and Contingencies

The Group has pending legal cases. The Group's estimate of the probable costs for the resolution of these legal cases has been developed in consultation with in-house and outside legal counsels and is based upon the analysis of the potential outcomes. It is possible, however, that future results of operations could be affected by changes in the estimates or in the effectiveness of strategies relating to these proceedings.

As of December 31, 2012 and 2011, the Group has provision for litigation losses amounting to ₱7,066,290 and is reported as part of "Others" under "Accounts payable and accrued expenses" in the consolidated balance sheets (see Note 12). Provisions and contingencies are further explained in Note 34.

Realizability of Deferred Income Tax Assets

Deferred income tax assets are recognized for all temporary deductible differences to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences can be utilized. Management has determined based on business forecast of succeeding years that there is enough taxable profits against which the recognized deferred income tax assets will be realized.

The Group's recognized deferred income tax assets amounted to ₱49,036,340 and ₱47,717,236 as of December 31, 2012 and 2011, respectively (see Note 27).

4. Cash and Cash Equivalents and Short-Term Investment

| | 2012 | 2011 |
|---------------------------|---------------------|--------------|
| Cash on hand and in banks | ₱367,285,569 | ₱394,696,749 |
| Cash equivalents | 48,000,000 | – |
| | ₱415,285,569 | ₱394,696,749 |

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods up to three months depending on the immediate cash requirements of the Group and earn interest at the respective cash equivalent rates.

As of December 31, 2012 and 2011, short-term investment amounting to ₱10,632,115 and ₱10,409,907, respectively, pertains to time deposit which has a maturity date of more than 90 days.

Interest income from savings and deposits accounts and short-term investment amounted to ₱2,857,696, ₱2,911,480 and ₱3,675,553 in 2012, 2011 and 2010, respectively (see Note 22).

5. Receivables

| | 2012 | 2011 |
|--------------------------------------------------------|---------------------|-------------|
| Franchisees | ₱184,444,213 | ₱89,638,852 |
| Suppliers | 139,512,975 | 99,035,030 |
| Store operators | 19,452,194 | 12,878,514 |
| Employees | 12,993,209 | 15,407,124 |
| Rent | 5,638,673 | 7,068,009 |
| Due from PhilSeven Foundation, Inc. (PFI) (Note 25) | 1,637,912 | 173,945 |

(Forward)

| | 2012 | 2011 |
|------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------|
| Current portion of: | | |
| Notes receivable | ₱1,403,344 | ₱1,328,983 |
| Lease receivable - net of unearned interest income amounting to ₱197,221 and ₱291,204 as of December 31, 2012 and 2011, respectively (Note 26) | 1,394,060 | 1,300,075 |
| Insurance receivable | 614,135 | 319,208 |
| Others | 15,734,389 | 19,578,030 |
| | 382,825,104 | 246,727,770 |
| Less allowance for impairment | 8,227,261 | 7,438,483 |
| | ₱374,597,843 | ₱239,289,287 |

The classes of receivables of the Group are as follows:

- Franchisees - pertains to receivables for the inventory loans obtained by the franchisees at the start of their store operations, cash deposits and deposits still in transit, negative balance on franchisees' holding account and inventory variation noted during monthly store audit.
- Suppliers - pertains to receivables from the Group's suppliers for display allowances, annual volume discount and commission income from different service providers.
- Store operators - pertains to the advances given to third party store operators under service agreements (see Note 32).
- Employees - includes car loans, salary loans and cash shortages from stores which are charged to employees.
- Rent - pertains to receivables from sublease agreements with third parties, which are based on an agreed fixed monthly rate or as agreed upon by the parties.
- Notes receivable - pertains to three notes receivable issued by third party borrowers evidenced by written promises of payment with three to five year terms maturing in 2013 and 2014. As of December 31, 2012 and 2011, unamortized discount amounted to ₱128,251 and ₱256,502, respectively. Accretion of interest income amounted to ₱128,251, ₱186,596 and ₱241,113 in 2012, 2011 and 2010, respectively (see Note 10).
- Lease receivable - pertains to a five-year sale and leaseback finance lease agreement entered by the Company with an armored car service provider (see Note 26).

Receivables are noninterest-bearing and are generally on 30 to 90 day terms except for lease receivable with a 7% interest rate per annum (see Note 26).

Impairment on receivables is based on individual assessment of accounts. Movements in allowance for impairment are as follows:

| | 2012 | | |
|----------------------------------|-------------------|-------------------|-------------------|
| | Suppliers | Others | Total |
| Beginning balances | ₱1,777,954 | ₱5,660,529 | ₱7,438,483 |
| Provision for the year (Note 19) | 500,000 | 288,778 | 788,778 |
| Ending balances | ₱2,277,954 | ₱5,949,307 | ₱8,227,261 |

| | 2011 | | |
|----------------------------------|------------|------------|------------|
| | Suppliers | Others | Total |
| Beginning balances | ₱381,786 | ₱3,245,706 | ₱3,627,492 |
| Provision for the year (Note 19) | 1,396,168 | 2,414,823 | 3,810,991 |
| Ending balances | ₱1,777,954 | ₱5,660,529 | ₱7,438,483 |

6. Inventories

| | 2012 | 2011 |
|-----------------------|---------------------|--------------|
| At cost (Note 18): | | |
| Warehouse merchandise | ₱415,590,676 | ₱271,683,488 |
| Store merchandise | 311,395,887 | 247,575,448 |
| | ₱726,986,563 | ₱519,258,936 |

7. Prepayments and Other Current Assets

| | 2012 | 2011 |
|----------------------------------|---------------------|--------------|
| Advances to suppliers | ₱109,149,544 | ₱47,628,097 |
| Current portion of: | | |
| Deferred input VAT | 64,041,931 | 43,844,078 |
| Prepaid rent (Note 10) | 42,241,979 | 36,729,050 |
| Deferred lease (Notes 10 and 26) | 421,194 | 2,425,557 |
| Prepaid store expenses | 11,625,230 | 11,354,992 |
| Advances for expenses | 6,600,314 | 5,176,635 |
| Prepaid taxes | 3,558,689 | – |
| Supplies | 3,256,203 | 1,825,459 |
| Dues and subscription | 2,983,004 | 1,126,881 |
| Prepaid repairs and maintenance | 2,214,838 | 1,992,019 |
| Prepaid uniform | 1,704,252 | 2,145,413 |
| Others | 11,210,709 | 7,273,957 |
| | ₱259,007,887 | ₱161,522,138 |

Deferred input VAT pertains to the acquisition of capital goods over ₱1,000,000 which are being amortized over the useful life or 60 months, whichever is shorter, commencing on the date of acquisition.

8. Property and Equipment

Movements in property and equipment are as follows:

| | 2012 | | | | | | | | |
|------------------------------------------------------|--------------------------------|-------------------------------|-------------------------------------|--------------------------------------|-----------------------------|-----------------------|---------------------------|-----------------------------|-----------------------|
| | Land- at revalued amount | Buildings and Improvements | Store Furniture and Equipment | Office Furniture and Equipment | Transportation Equipment | Computer Equipment | Leasehold Improvements | Construction In-Progress | Total |
| Costs/Revalued Amount | | | | | | | | | |
| Beginning balances | ₱44,481,000 | ₱110,179,849 | ₱1,307,026,502 | ₱454,106,297 | ₱38,988,602 | ₱176,359,215 | ₱978,634,236 | ₱72,806,750 | ₱3,182,582,451 |
| Additions | – | 7,975,000 | 449,148,981 | 129,124,221 | 8,818,393 | 36,162,964 | 127,255,239 | 100,190,195 | 858,674,993 |
| Retirements | – | – | (15,762,339) | (3,859,420) | (4,160,819) | (965,837) | (9,907,251) | – | (34,655,666) |
| Reclassifications | – | – | – | – | – | – | 105,627,648 | (105,627,648) | – |
| Ending balances | 44,481,000 | 118,154,849 | 1,740,413,144 | 579,371,098 | 43,646,176 | 211,556,342 | 1,201,609,872 | 67,369,297 | 4,006,601,778 |
| Accumulated Depreciation and Amortization | | | | | | | | | |
| Beginning balances | – | 64,958,094 | 425,110,107 | 194,721,454 | 15,683,194 | 105,282,852 | 430,793,774 | – | 1,236,549,475 |
| Depreciation and amortization (Note 19) | – | 5,223,497 | 281,563,647 | 65,818,055 | 8,676,760 | 30,322,248 | 136,182,718 | – | 527,786,925 |
| Retirements | – | – | (15,762,339) | (3,859,420) | (4,160,819) | (965,837) | (9,907,251) | – | (34,655,666) |
| Ending balances | – | 70,181,591 | 690,911,415 | 256,680,089 | 20,199,135 | 134,639,263 | 557,069,241 | – | 1,729,680,734 |
| Net Book Values | ₱44,481,000 | ₱47,973,258 | ₱1,049,501,729 | ₱322,691,009 | ₱23,447,041 | ₱76,917,079 | ₱538,912,983 | ₱172,996,945 | ₱2,276,921,044 |

| | 2011 | | | | | | | | |
|------------------------------------------------------|--------------------------------|-------------------------------|-------------------------------------|--------------------------------------|-----------------------------|-----------------------|---------------------------|-----------------------------|-----------------------|
| | Land- at revalued amount | Buildings and Improvements | Store Furniture and Equipment | Office Furniture and Equipment | Transportation Equipment | Computer Equipment | Leasehold Improvements | Construction In-Progress | Total |
| Costs/Revalued Amount | | | | | | | | | |
| Beginning balances | ₱44,481,000 | ₱109,312,911 | ₱1,176,847,311 | ₱419,230,096 | ₱37,624,956 | ₱248,482,190 | ₱828,894,084 | ₱41,487,041 | ₱2,906,359,589 |
| Additions | - | 866,938 | 348,799,410 | 106,667,047 | 16,034,780 | 53,854,534 | 121,517,149 | 69,351,878 | 717,091,736 |
| Disposals | - | - | (218,620,219) | (71,994,025) | (14,671,134) | (125,977,509) | (9,605,987) | - | (440,868,874) |
| Reclassifications | - | - | - | 203,179 | - | - | 37,828,990 | (38,032,169) | - |
| Ending balances | 44,481,000 | 110,179,849 | 1,307,026,502 | 454,106,297 | 38,988,602 | 176,359,215 | 978,634,236 | 72,806,750 | 3,182,582,451 |
| Accumulated Depreciation and Amortization | | | | | | | | | |
| Beginning balances | - | 60,016,925 | 455,617,362 | 209,862,824 | 24,284,740 | 199,975,370 | 349,305,607 | - | 1,299,062,828 |
| Depreciation and amortization (Note 19) | - | 4,941,169 | 188,112,964 | 56,852,655 | 6,069,588 | 31,284,991 | 91,094,154 | - | 378,355,521 |
| Disposals | - | - | (218,620,219) | (71,994,025) | (14,671,134) | (125,977,509) | (9,605,987) | - | (440,868,874) |
| Ending balances | - | 64,958,094 | 425,110,107 | 194,721,454 | 15,683,194 | 105,282,852 | 430,793,774 | - | 1,236,549,475 |
| Net Book Values | ₱44,481,000 | ₱45,221,755 | ₱881,916,395 | ₱259,384,843 | ₱23,305,408 | ₱71,076,363 | ₱547,840,462 | ₱72,806,750 | ₱1,946,032,976 |

On February 5, 2007, the Group revalued its land with cost amounting to ₱39,866,864 at appraised value of ₱44,481,000, as determined by a professionally qualified independent appraiser. The appraisal increase of ₱3,229,895, net of ₱1,384,241 deferred income tax liability, resulting from the revaluation was credited to “Revaluation increment on land” account under equity section of the consolidated balance sheets. The appraised value was determined using the market data approach, wherein the value of the land is based on sales and listings of comparable properties registered within the vicinity.

The carrying value of the Group’s capitalized interest amounted to nil and ₱13,130 as of December 31, 2012 and 2011.

The cost of fully depreciated property and equipment that are still being used in operations amounted to ₱232,325,091 and ₱88,860,329 as of December 31, 2012 and 2011, respectively. No property and equipment are pledged nor treated as security to the outstanding liabilities as of December 31, 2012 and 2011.

9. Deposits

| | 2012 | 2011 |
|------------------------------|---------------------|--------------|
| Rent | ₱183,893,042 | ₱155,379,984 |
| Utilities (Notes 29 and 30) | 33,663,791 | 29,267,868 |
| Refundable (Notes 29 and 30) | 25,843,670 | 26,789,004 |
| Others (Notes 29 and 30) | 6,017,558 | 4,527,970 |
| | ₱249,418,061 | ₱215,964,826 |

Refundable

Refundable deposits on rent are computed at amortized cost as follows:

| | 2012 | 2011 |
|---------------------------------|---------------------|--------------|
| Face value of security deposits | ₱48,602,936 | ₱27,391,286 |
| Additions | 2,248,407 | 25,186,036 |
| Refunded | (4,797,455) | (3,974,386) |
| Unamortized discount | (20,210,218) | (21,813,932) |
| | ₱25,843,670 | ₱26,789,004 |

Movements in unamortized discount are as follows:

| | 2012 | 2011 |
|---------------------|--------------------|-------------|
| Beginning balance | ₱21,813,932 | ₱15,585,657 |
| Additions | 496,227 | 8,616,062 |
| Accretion (Note 22) | (2,099,941) | (2,387,787) |
| Ending balance | ₱20,210,218 | ₱21,813,932 |

10. Goodwill and Other Noncurrent Assets

| | 2012 | 2011 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------|
| Noncurrent portion of: | | |
| Deferred input VAT | ₱115,865,751 | ₱103,958,618 |
| Deferred lease (Note 26) | 15,281,651 | 15,266,788 |
| Lease receivable - net of unearned interest income amounting to ₱102,216 and ₱299,438 as of December 31, 2012 and 2011, respectively (Notes 26, 29 and 30) | 2,054,276 | 3,448,336 |
| Note receivable (Notes 5, 29 and 30) | 955,355 | 1,689,268 |
| Prepaid rent | – | 6,134,227 |
| Intangible assets: | | |
| Goodwill | 65,567,524 | 65,567,524 |
| Software and program cost | 1,183,651 | 2,484,126 |
| Garnished accounts (Note 34) | 5,223,977 | 6,241,465 |
| Others | 2,357,417 | 1,670,993 |
| | ₱208,489,602 | ₱206,461,345 |

Deferred Lease

Deferred lease pertains to Day 1 loss recognized on refundable deposits on rent, which is amortized on a straight-line basis over the term of the related leases.

Movements in deferred lease are as follows:

| | 2012 | 2011 |
|-----------------------------|--------------------|-------------|
| Beginning balance | ₱17,692,345 | ₱11,855,967 |
| Additions | 496,228 | 8,616,062 |
| Less amortization (Note 26) | 2,485,728 | 2,779,684 |
| Ending balance | 15,702,845 | 17,692,345 |
| Less current portion | 421,194 | 2,425,557 |
| Noncurrent portion | ₱15,281,651 | ₱15,266,788 |

Goodwill

On March 22, 2004, the Group purchased the leasehold rights and store assets of Jollimart Philippines Corporation (Jollimart) for a total consideration of ₱130,000,000. The excess of the acquisition cost over the fair value of the assets acquired was recorded as goodwill amounting to ₱70,178,892. In 2008, the Group recognized an impairment loss in goodwill amounting to ₱4,611,368.

The recoverable amount of the goodwill was estimated based on the value-in-use calculation using cash flow projections from financial budgets approved by senior management covering a five year period. The pre-tax discount rate applied to cash flow projections is 10.67% in 2012 and 10.22% in 2011. The cash flows beyond the five-year period are extrapolated using a 3% growth rate in 2012 and 2011 which is the same as the long-term average growth rate for the retail industry.

No store acquired from Jollimart was closed in 2012. In 2011, the Group has closed one store out of the 25 remaining stores it purchased from Jollimart. No impairment loss was recognized in 2012, 2011 and 2010.

Goodwill is allocated to the group of cash generating unit (CGU) which comprises the working capital and property and equipment of all the purchased stores' assets.

Key assumptions used in value-in-use calculations in 2012 and 2011 follow:

a. Sales and Cost Ratio

Sales and cost ratio are based on average values achieved in the three years preceding the start of the budget period. These are increased over the budget period for anticipated efficiency improvements. Sales are projected to increase by two to three percent per annum while the cost ratio is set at 68.00% - 70.00% of sales per annum.

b. Discount Rates

Discount rates reflect management's estimates of the risks specific to the CGU. Management computed for its weighted average cost of capital (WACC). In computing for its WACC, the following items were considered:

- Average high and low range of average bank lending rates as of year-end
- Yield on a 10-year Philippine zero coupon bond as of valuation date
- Market risk premium
- Company relevered beta
- Alpha risk

c. Growth Rate Estimates

Rates are based on average historical growth rate which is consistent with the expected average growth rate for the industry. Annual inflation and rate of possible reduction in transaction count were also considered in determining growth rates used.

Management recognized that unfavorable conditions could materially affect the assumptions used in the determination of value in use. An increase of 6.10% and 0.52% in the discount rates, or a reduction of growth rates by 3.00% and 1.00%, would give a value in use equal to the carrying amount of the cash generating units in 2012 and 2011, respectively.

Software and Program Cost

Movements in software and program cost are as follows:

| | 2012 | 2011 |
|---------------------------|--------------------|-------------|
| Cost: | | |
| Beginning balance | ₱14,661,985 | ₱14,661,985 |
| Additions | 190,000 | - |
| Ending balance | 14,851,985 | 14,661,985 |
| Accumulated amortization: | | |
| Beginning balance | 12,177,859 | 9,579,118 |
| Amortization (Note 19) | 1,490,475 | 2,598,741 |
| Ending balance | 13,668,334 | 12,177,859 |
| Net book value | ₱1,183,651 | ₱2,484,126 |

As of December 31, 2012 and 2011, the remaining amortization period of software and program cost is eight and nine years, respectively.

Garnished Accounts

Garnished accounts pertain to the amount set aside by the Group, as required by the courts, in order to answer for litigation claims should the results be unfavorable to the Group (see Note 34).

11. Bank Loans

Bank loans represent unsecured Peso-denominated short-term borrowings from various local banks, payable in lump-sum in 2012 and 2011 with annual interest rates ranging from 3.30% to 3.75%, 3.50% to 4.25% and 4.20% to 5.20% in 2012, 2011 and 2010, respectively, which are repriced monthly based on market conditions. The proceeds of these loans were used for the operations of the Group.

Movements in bank loans are as follows:

| | 2012 | 2011 |
|-------------------|----------------------|---------------|
| Beginning balance | ₱374,666,667 | ₱320,000,000 |
| Availments | 210,000,000 | 230,000,000 |
| Payments | (106,888,889) | (175,333,333) |
| Ending balance | ₱477,777,778 | ₱374,666,667 |

Interest expense from these bank loans amounted to ₱16,338,080, ₱15,697,647 and ₱16,033,249 in 2012, 2011 and 2010, respectively (see Note 21). Interest payable amounted to ₱1,173,579 and ₱1,174,528 as of December 31, 2012 and 2011, respectively (see Note 12). The carrying value of the Group's capitalized interest amounted to nil and ₱13,130 as of December 31, 2012 and 2011.

12. Accounts Payable and Accrued Expenses

| | 2012 | 2011 |
|---------------------------|-----------------------|----------------|
| Trade payable | ₱1,077,213,586 | ₱1,066,740,769 |
| Utilities | 55,148,912 | 38,219,462 |
| Rent (Notes 26) | 51,355,557 | 47,263,813 |
| Employee benefits | 22,772,206 | 23,954,117 |
| Outsourced services | 14,531,473 | 12,461,025 |
| Advertising and promotion | 8,754,528 | 16,054,548 |
| Bank charges | 3,860,300 | 2,278,700 |
| Security services | 3,361,310 | 3,054,419 |
| Interest (Note 11) | 1,173,579 | 1,174,528 |
| Others | 23,118,538 | 32,736,076 |
| | ₱1,261,289,989 | ₱1,243,937,457 |

The trade suppliers generally provide 15 or 30-day credit terms to the Group. Prompt payment discounts ranging from 0.5% to 5.0% are given by a number of trade suppliers. All other payables are due within 3 months.

13. Other Current Liabilities

| | 2012 | 2011 |
|-----------------------------------------|---------------------|--------------|
| Non-trade accounts payable | ₱423,183,843 | ₱188,758,358 |
| Withholding taxes | 26,913,387 | 22,974,557 |
| Output VAT | 25,064,839 | 19,205,290 |
| Retention payable | 24,673,598 | 18,688,531 |
| Service fees payable | 20,586,182 | 19,370,472 |
| Royalty (Note 25) | 12,579,753 | 10,353,333 |
| Employee related liabilities | 2,481,125 | 3,860,665 |
| Current portion of deferred revenue on: | | |
| Exclusivity contract (Notes 16 and 32) | 818,452 | 1,934,524 |
| Finance lease (Notes 16 and 26) | 589,569 | 589,567 |
| Others | 4,990,644 | 12,700,219 |
| | ₱541,881,392 | ₱298,435,516 |

Non-trade accounts payable pertains to payable to suppliers of goods or services that forms part of general and administrative expenses. These are noninterest-bearing and are due within one year.

14. Deposits Payable

| | 2012 | 2011 |
|------------------------------|---------------------|--------------|
| Franchisees (Note 32) | ₱89,860,690 | ₱88,795,094 |
| Service agreements (Note 32) | 79,041,337 | 69,260,533 |
| Rent | 12,999,211 | 13,402,206 |
| | ₱181,901,238 | ₱171,457,833 |

15. Cumulative Redeemable Preferred Shares

Cumulative redeemable preferred shares, which are redeemable at the option of the holder, represent the share of PSC-ERP through its trustee, BPI-AMTG, in SSHI's net assets pertaining to preferred shares. PSC-ERP is entitled to an annual "Guaranteed Preferred Dividend" in the earnings of SSHI starting April 5, 2002, the date when the 25% of the subscription on preferred shares have been paid, in accordance with the Corporation Code.

The guaranteed annual dividends shall be calculated and paid in accordance with the Shareholder's Agreement dated November 16, 2000 which provides that the dividend shall be determined by the BOD of SSHI using the prevailing market conditions and other relevant factors. Further, the preferred shareholder shall not participate in the earnings of SSHI except to the extent of guaranteed dividends and whatever is left of the retained earnings will be declared as dividends in favor of common shareholders. Guaranteed preferred dividends included under "Interest expense" in the consolidated statements of comprehensive income amounted to ₱258,750, ₱327,000 and ₱364,920 in 2012, 2011 and 2010, respectively (see Note 21). Interest payable included as part of "Others" under "Other current liabilities" in the consolidated balance sheets amounted to ₱348,750 and ₱327,000 as of December 31, 2012 and 2011, respectively.

16. Deferred Revenue

| | 2012 | 2011 |
|--------------------------------------------------------|-------------------|------------|
| Noncurrent portion of: | | |
| Deferred revenue on exclusivity contracts (Note 32) | ₱446,429 | ₱1,264,881 |
| Deferred revenue on finance lease (Note 26) | 687,829 | 1,277,398 |
| Deferred revenue - others | 1,508,921 | 1,515,203 |
| | ₱2,643,179 | ₱4,057,482 |

Deferred Revenue on Exclusivity Contracts

Movements in deferred revenue on exclusivity contracts are as follows:

| | 2012 | 2011 |
|--------------------------------|-------------------|------------|
| Beginning balance | ₱3,199,405 | ₱5,133,929 |
| Less amortization (Note 32) | 1,934,524 | 1,934,524 |
| Ending balance | 1,264,881 | 3,199,405 |
| Less current portion (Note 13) | 818,452 | 1,934,524 |
| Noncurrent portion | ₱446,429 | ₱1,264,881 |

Deferred Revenue on Finance Lease

Movements in deferred revenue on finance lease are as follows:

| | 2012 | 2011 |
|----------------------------------------|-------------------|------------|
| Beginning balance | ₱1,866,965 | ₱2,456,532 |
| Less amortization (Note 26) | 589,567 | 589,567 |
| Ending balance (Note 26) | 1,277,398 | 1,866,965 |
| Less current portion (Notes 13 and 26) | 589,569 | 589,567 |
| Noncurrent portion (Note 26) | ₱687,829 | ₱1,277,398 |

17. Equity

Common Stock

The Group was listed with the Philippine Stock Exchange on February 4, 1998 with total listed shares of 71,382,000 common shares consisting of 47,000,000 shares for public offering and 24,382,000 shares for private placement. The Parent Company offered the share at a price of ₱4.40. As of December 31, 2012 and 2011, the Company has a total of 656 and 666 shareholders on record.

Movements in the number of shares are as follows:

| | 2012 | 2011 | 2010 |
|---------------------------------------|--------------------|-------------|-------------|
| Beginning balance | 347,329,216 | 302,114,918 | 287,761,172 |
| Issuance of stock dividends (Note 28) | 51,996,445 | 45,214,298 | 14,353,746 |
| Ending balance | 399,325,661 | 347,329,216 | 302,114,918 |

On July 24, 2012, the BOD and at least 2/3 of the Company's stockholders approved the increase of the Company's authorized common stock from ₱400,000,000, divided into 400,000,000 common shares with par value of ₱1 per share, to ₱600,000,000, divided into 600,000,000 common shares with a par value of ₱1 per share.

The Philippine SEC approved the Company's application for the increase in its authorized capital stock on October 19, 2012.

Retained Earnings

The Company's retained earnings is restricted to the extent of ₱54,212,460 and ₱56,484,212 as of December 31, 2012 and 2011, respectively for the undistributed earnings of subsidiaries and ₱2,923,246 as of December 31, 2012 and 2011 for the cost of treasury shares.

Details of the Company's stock dividend declaration for the years ended December 31, 2012, 2011 and 2010 are as follows:

| Declaration date | Record date | Stock dividend % | Outstanding no. of common shares as of declaration date | Total stock dividend issued |
|----------------------|--------------------------|------------------|---------------------------------------------------------|-----------------------------|
| July 24, 2012 | November 15, 2012 | 15% | 346,642,966 | 51,996,445 |
| July 21, 2011 | August 19, 2011 | 15% | 301,428,666 | 45,214,298 |
| July 29, 2010 | August 27, 2010 | 5% | 287,074,922 | 14,453,746 |

The Company's BOD and at least 2/3 of the Company's stockholders approved all the aforementioned stock dividend declarations above.

Details of the Company's cash dividend declaration for the years ended December 31, 2012, 2011 and 2010 are shown below:

| Declaration date | Record date | Payment date | Dividend per share | Outstanding no. of common shares as of declaration date | Total cash dividends |
|----------------------|------------------------|---------------------------|--------------------|---------------------------------------------------------|----------------------|
| July 24, 2012 | August 22, 2012 | September 14, 2012 | ₱0.10 | 346,642,966 | ₱34,664,297 |
| July 21, 2011 | August 19, 2011 | September 13, 2011 | 0.10 | 301,428,666 | 30,142,867 |
| July 29, 2010 | August 27, 2010 | September 23, 2010 | 0.05 | 287,074,922 | 14,353,746 |

The Company's BOD approved all the cash dividends presented above.

Treasury Shares

There are 686,250 shares that are in the treasury amounting to ₱2,923,246 as of December 31, 2012 and 2011. There are no movement in the Group's treasury shares in 2012 and 2011.

18. Cost of Merchandise Sales

| | 2012 | 2011 | 2010 |
|------------------------------------|-----------------------|----------------|----------------|
| Merchandise inventory, beginning | ₱519,258,936 | ₱402,419,577 | ₱415,652,671 |
| Net purchases (Note 20) | 8,730,878,901 | 6,961,401,378 | 5,375,264,793 |
| | 9,250,137,837 | 7,363,820,955 | 5,790,917,464 |
| Less merchandise inventory, ending | 726,986,563 | 519,258,936 | 402,419,577 |
| | ₱8,523,151,274 | ₱6,844,562,019 | ₱5,388,497,887 |

19. General and Administrative Expenses

| | 2012 | 2011 | 2010 |
|---------------------------------------------------------|-----------------------|----------------|----------------|
| Communication, light and water | ₱822,136,123 | ₱610,997,841 | ₱528,123,729 |
| Outside services (Note 32) | 663,221,838 | 527,283,460 | 389,212,920 |
| Depreciation and amortization (Note 8) | 527,786,925 | 378,355,521 | 291,803,754 |
| Rent (Note 26) | 488,292,500 | 401,628,602 | 341,397,389 |
| Personnel costs (Note 23) | 269,968,599 | 271,925,395 | 287,246,482 |
| Trucking services | 171,676,338 | 128,105,699 | 89,415,946 |
| Advertising and promotion | 139,445,376 | 119,151,632 | 101,175,106 |
| Royalties (Note 25) | 133,085,007 | 106,490,524 | 90,693,176 |
| Repairs and maintenance | 120,154,712 | 101,447,166 | 86,964,361 |
| Supplies | 119,944,818 | 98,718,890 | 81,307,138 |
| Warehousing services | 95,052,873 | 69,397,133 | 58,179,955 |
| Taxes and licenses | 85,985,255 | 76,189,697 | 68,340,335 |
| Transportation and travel | 38,476,668 | 26,472,937 | 23,642,048 |
| Entertainment, amusement and recreation | 24,609,677 | 28,169,708 | 36,145,205 |
| Inventory losses | 23,875,151 | 19,906,752 | 14,659,113 |
| Dues and subscription | 9,355,941 | 5,898,075 | 5,143,890 |
| Insurance | 8,968,897 | 6,032,839 | 4,216,516 |
| Amortization of software and program costs (Note 10) | 1,490,475 | 2,598,741 | 3,089,728 |
| Provision for impairment of receivables (Note 5) | 788,778 | 3,810,991 | 1,622,883 |
| Others | 41,345,644 | 29,596,375 | 29,010,430 |
| | ₱3,785,661,595 | ₱3,012,177,978 | ₱2,531,390,104 |

20. Marketing Income

| | 2012 | 2011 | 2010 |
|--------------------------------------|---------------------|--------------|--------------|
| Promotions | ₱339,113,279 | ₱171,330,886 | ₱112,766,444 |
| Marketing support funds (Note 32) | 36,654,978 | 68,557,774 | 34,702,616 |
| | ₱375,768,257 | ₱239,888,660 | ₱147,469,060 |

Display charges and certain marketing support funds previously recorded within marketing income have been reclassified as purchase discounts as part of “net purchases” under “cost of merchandise sales”. Total amount reclassified amounted to ₱297,943,350, ₱246,934,680 and ₱196,772,591 in 2012, 2011 and 2010, respectively (see Note 18).

21. Interest Expense

| | 2012 | 2011 | 2010 |
|---------------------------------------------|--------------------|-------------|-------------|
| Interest on bank loans (Note 11) | ₱16,338,080 | ₱15,697,647 | ₱16,033,249 |
| Guaranteed preferred dividends (Note 15) | 258,750 | 327,000 | 364,920 |
| | ₱16,596,830 | ₱16,024,647 | ₱16,398,169 |

22. Interest Income

| | 2012 | 2011 | 2010 |
|----------------------------------------------|-------------------|------------|------------|
| Bank deposits (Note 4) | ₱2,589,071 | ₱2,597,676 | ₱3,417,333 |
| Accretion of refundable deposits (Note 9) | 2,099,941 | 2,387,787 | 1,035,216 |
| Finance lease (Note 26) | 291,205 | 378,850 | 403,887 |
| Short-term investment (Note 4) | 268,625 | 313,804 | 258,220 |
| Accretion of note receivable (Note 5) | 128,251 | 186,596 | 241,113 |
| | ₱5,377,093 | ₱5,864,713 | ₱5,355,769 |

23. Personnel Costs

| | 2012 | 2011 | 2010 |
|-------------------------------------------|---------------------|--------------|--------------|
| Salaries and wages | ₱217,356,126 | ₱227,335,598 | ₱242,069,716 |
| Employee benefits | 36,405,561 | 32,221,396 | 33,956,265 |
| Net retirement benefits cost (Note 24) | 16,206,912 | 12,368,401 | 11,220,501 |
| | ₱269,968,599 | ₱271,925,395 | ₱287,246,482 |

24. Retirement Benefits

The Group maintains a trustee, non-contributory defined benefit retirement plan covering all qualified employees. Normal retirement benefits are equal to the employee's retirement pay as defined in Republic Act No. 7641 multiplied by the years of service. Normal retirement date is the attainment of age 60 and completion of at least five years of service.

The following tables summarize the components of net retirement benefits cost recognized in profit or loss and the funding status and amounts recognized in the consolidated balance sheets:

a. Net retirement benefits cost for the year are as follows:

| | 2012 | | |
|----------------------------------------|--------------------|-----------------|--------------------|
| | PSC | CDI | Total |
| Current service cost | ₱9,655,975 | ₱545,788 | ₱10,201,763 |
| Interest cost | 5,585,187 | 374,746 | 5,959,933 |
| Expected return on plan assets | (673,153) | (31,105) | (704,258) |
| Net actuarial losses | 749,474 | – | 749,474 |
| Net retirement benefits cost (Note 23) | ₱15,317,483 | ₱889,429 | ₱16,206,912 |

| | 2011 | | |
|----------------------------------------|-------------|----------|-------------|
| | PSC | CDI | Total |
| Current service cost | ₱4,637,501 | ₱351,324 | ₱4,988,825 |
| Interest cost | 7,377,255 | 540,217 | 7,917,472 |
| Expected return on plan assets | (645,048) | (31,373) | (676,421) |
| Net actuarial losses | 138,525 | – | 138,525 |
| Net retirement benefits cost (Note 23) | ₱11,508,233 | ₱860,168 | ₱12,368,401 |

| | 2010 | | |
|----------------------------------------|-------------|------------|-------------|
| | PSC | CDI | Total |
| Current service cost | ₱3,706,434 | ₱705,342 | ₱4,411,776 |
| Interest cost | 6,749,595 | 520,065 | 7,269,660 |
| Expected return on plan assets | (430,680) | (30,255) | (460,935) |
| Net retirement benefits cost (Note 23) | ₱10,025,349 | ₱1,195,152 | ₱11,220,501 |

b. Net retirement obligations recognized by the Group are as follows:

| | 2012 | | |
|------------------------------------------|--------------|------------|--------------|
| | PSC | CDI | Total |
| Present value of retirement obligations | ₱109,977,260 | ₱6,625,244 | ₱116,602,504 |
| Less fair value of net plan assets | 29,548,266 | 1,041,545 | 30,589,811 |
| Unfunded retirement obligation | 80,428,994 | 5,583,699 | 86,012,693 |
| Unrecognized net actuarial gain (losses) | (25,021,701) | 129,428 | (24,892,273) |
| Net retirement obligations | ₱55,407,293 | ₱5,713,127 | ₱61,120,420 |

| | 2011 | | |
|------------------------------------------|--------------|------------|--------------|
| | PSC | CDI | Total |
| Present value of retirement obligations | ₱96,296,328 | ₱6,764,360 | ₱103,060,688 |
| Less fair value of net plan assets | 12,239,143 | 565,547 | 12,804,690 |
| Unfunded retirement obligation | 84,057,185 | 6,198,813 | 90,255,998 |
| Unrecognized net actuarial gain (losses) | (25,368,578) | 305,300 | (25,063,278) |
| Net retirement obligations | ₱58,688,607 | ₱6,504,113 | ₱65,192,720 |

c. Changes in the present value of the retirement obligations are as follows:

| | 2012 | | |
|----------------------|--------------|-------------|--------------|
| | PSC | CDI | Total |
| Beginning balances | ₱96,296,328 | ₱6,764,360 | ₱103,060,688 |
| Current service cost | 9,655,975 | 545,788 | 10,201,763 |
| Interest cost | 5,585,187 | 374,746 | 5,959,933 |
| Benefits paid | (4,686,898) | (1,245,962) | (5,932,860) |
| Actuarial losses | 3,126,668 | 186,312 | 3,312,980 |
| Ending balances | ₱109,977,260 | ₱6,625,244 | ₱116,602,504 |

| | 2011 | | |
|----------------------|-------------|------------|--------------|
| | PSC | CDI | Total |
| Beginning balances | ₱72,897,778 | ₱5,615,558 | ₱78,513,336 |
| Current service cost | 4,637,501 | 351,324 | 4,988,825 |
| Interest cost | 7,377,255 | 540,217 | 7,917,472 |
| Benefits paid | (4,018,237) | – | (4,018,237) |
| Actuarial losses | 15,402,031 | 257,261 | 15,659,292 |
| Ending balances | ₱96,296,328 | ₱6,764,360 | ₱103,060,688 |

d. Changes in the fair value of net plan assets are as follows:

| | 2012 | | |
|--------------------------------|--------------------|--------------------|--------------------|
| | PSC | CDI | Total |
| Beginning balances | ₱12,239,143 | ₱565,547 | ₱12,804,690 |
| Expected return on plan assets | 673,153 | 31,105 | 704,258 |
| Contribution | 18,598,797 | 1,680,415 | 20,279,212 |
| Benefits paid | (4,686,898) | (1,245,962) | (5,932,860) |
| Actuarial gains | 2,724,071 | 10,440 | 2,734,511 |
| Ending balances | ₱29,548,266 | ₱1,041,545 | ₱30,589,811 |

| | 2011 | | |
|--------------------------------|-------------|----------|-------------|
| | PSC | CDI | Total |
| Beginning balances | ₱10,750,804 | ₱522,878 | ₱11,273,682 |
| Expected return on plan assets | 645,048 | 31,373 | 676,421 |
| Contribution | 4,629,263 | – | 4,629,263 |
| Benefits paid | (4,018,237) | – | (4,018,237) |
| Actuarial gains | 232,265 | 11,296 | 243,561 |
| Ending balances | ₱12,239,143 | ₱565,547 | ₱12,804,690 |

The Group's plan asset is being managed by Bank of the Philippine Islands (BPI) - Asset Management and Trust Group, a trustee bank. Breakdown of the Group's net plan assets are as follows:

| | 2012 | | 2011 | |
|---------------------------------------|----------------|----------------|---------|---------|
| | PSC | CDI | PSC | CDI |
| Investments in trust and mutual funds | 69.00% | 100.00% | 46.00% | 46.00% |
| Investments in equity securities | 31.00% | – | 54.00% | 54.00% |
| | 100.00% | 100.00% | 100.00% | 100.00% |

Details on the cost and fair value of the fund as of December 31 are as follows:

| | 2012 | | | | | |
|---------------------------------------|-------------------------------|--------------------|--------------------|-------------------------------|-------------------|-------------------|
| | Face amount /No. of shares | PSC | | Face amount /No. of shares | CDI | |
| | | Cost | Fair Value | | Cost | Fair Value |
| Investments in trust and mutual funds | | | | | | |
| BPI - ALFM Mutual Fund | 62,463 | ₱17,511,278 | ₱18,689,399 | 3,480 | ₱1,010,852 | ₱1,041,545 |
| BPI - Short Term Fund | | | | | | |
| Unit Investment Trust Fund | 11,809 | 1,590,436 | 1,591,027 | – | – | – |
| | | 19,101,714 | 20,280,426 | | 1,010,852 | 1,041,545 |
| Investments in equity securities | | | | | | |
| PSC - listed shares | 35,520 | 122,417 | 3,267,840 | – | – | – |
| SSHI - unlisted shares | 60,000 | 6,000,000 | 6,000,000 | – | – | – |
| | | 6,122,417 | 9,267,840 | | – | – |
| | | ₱25,224,131 | ₱29,548,266 | | ₱1,010,852 | ₱1,041,545 |

| | 2011 | | | | | |
|---------------------------------------|-------------------------------|-------------|-------------|-------------------------------|----------|------------|
| | PSC | | | CDI | | |
| | Face amount /No. of shares | Cost | Fair Value | Face amount /No. of shares | Cost | Fair Value |
| Investments in trust and mutual funds | | | | | | |
| BPI - ALFM Mutual Fund | 18,843 | ₱4,896,967 | ₱5,319,175 | 2,003 | ₱520,540 | ₱565,547 |
| BPI - Short Term Fund | | | | | | |
| Unit Investment Trust Fund | - | - | - | - | - | - |
| | | 4,896,967 | 5,319,175 | | 520,540 | 565,547 |
| Investments in equity securities | | | | | | |
| PSC - listed shares | 35,520 | 122,417 | 919,968 | - | - | - |
| SSHI - unlisted shares | 60,000 | 6,000,000 | 6,000,000 | - | - | - |
| | | 6,122,417 | 6,919,968 | | - | - |
| | | ₱11,019,384 | ₱12,239,143 | | ₱520,540 | ₱565,547 |

The trustee exercises the voting rights over the PSC shares held by the retirement fund.

Actual return on plan assets amounted to ₱3,397,224 in 2012 and ₱877,313 in 2011 for PSC and ₱41,545 in 2012 and ₱42,669 in 2011 for CDI.

The overall expected rate of return on plan assets is determined based on the market prices prevailing on the date applicable to the period over which the obligation is to be settled.

The Group expects to contribute ₱21,500,000 to its defined benefit plan in 2013.

The principal assumptions used in determining net retirement benefits cost for the Group's plan at the beginning of the year are as follows:

| | PSC | | CDI | |
|-----------------------------------------------|--------------|-------|--------------|-------|
| | 2012 | 2011 | 2012 | 2011 |
| Number of employees | 681 | 655 | 23 | 20 |
| Discount rate per annum | 5.80% | 5.80% | 5.54% | 5.54% |
| Expected annual rate of return on plan assets | 5.50% | 5.50% | 5.50% | 5.50% |
| Salary increase rate | 5.50% | 5.50% | 5.50% | 5.50% |

Amounts for the current and prior four periods are as follows:

| | 2012 | | |
|--------------------------------------------------------------|---------------------|-------------------|---------------------|
| | PSC | CDI | Total |
| Present value of retirement obligations | ₱109,977,260 | ₱6,625,244 | ₱116,602,504 |
| Fair value of net plan assets | 29,548,266 | 1,041,545 | 30,589,811 |
| Unfunded retirement obligation | 80,428,994 | 5,583,699 | 86,012,693 |
| Experience gain adjustments on retirement obligations | (5,731,481) | (39,492) | (5,770,973) |
| Experience gain adjustments on plan assets | 2,724,071 | 10,440 | 2,734,511 |
| | | | |
| | 2011 | | |
| | PSC | CDI | Total |
| Present value of retirement obligations | ₱96,296,328 | ₱6,764,360 | ₱103,060,688 |
| Fair value of net plan assets | 12,239,143 | 565,547 | 12,804,690 |
| Unfunded retirement obligation | 84,057,185 | 6,198,813 | 90,255,998 |
| Experience loss (gain) adjustments on retirement obligations | 324,950 | (267,061) | 57,889 |
| Experience gain adjustments on plan assets | 232,265 | 11,296 | 243,561 |

| | 2010 | | |
|-------------------------------------------------------|--------------|------------|--------------|
| | PSC | CDI | Total |
| Present value of retirement obligations | ₱72,897,778 | ₱5,615,558 | ₱78,513,336 |
| Fair value of net plan assets | 10,750,804 | 522,878 | 11,273,682 |
| Unfunded retirement obligation | 62,146,974 | 5,092,680 | 67,239,654 |
| Experience gain adjustments on retirement obligations | (6,251,982) | (857,124) | (7,109,106) |
| Experience loss adjustments on plan assets | (43,253) | (11,628) | (54,881) |
| | 2009 | | |
| | PSC | CDI | Total |
| Present value of retirement obligations | ₱62,438,440 | ₱4,864,964 | ₱67,303,404 |
| Fair value of net plan assets | 7,178,008 | 504,251 | 7,682,259 |
| Unfunded retirement obligation | 55,260,432 | 4,360,713 | 59,621,145 |
| Experience gain adjustments on retirement obligations | (12,458,512) | (857,124) | (13,315,636) |
| Experience loss adjustments on plan assets | (69,753) | (10,086) | (79,839) |
| | 2008 | | |
| | PSC | CDI | Total |
| Present value of retirement obligations | ₱54,006,788 | ₱4,174,204 | ₱58,180,992 |
| Fair value of net plan assets | 6,165,743 | 471,869 | 6,637,612 |
| Unfunded retirement obligation | 47,841,045 | 3,702,335 | 51,543,380 |
| Experience loss adjustments on retirement obligations | 46,616 | 2,532,432 | 2,579,048 |
| Experience loss adjustments on plan assets | (283,759) | (21,716) | (305,475) |

The discount rate of PSC and CDI as of December 31, 2012 are 5.80% and 5.54%, respectively, based on market rates consistent with the obligation of the defined benefit plan. Future annual increase in salary as of December 31, 2012 is 5.5%. Expected rate of return as of December 31, 2012 is 5.5%.

25. Related Party Transactions

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors or its stockholders.

Transactions with related parties consist of:

- a. The Group executed a licensing agreement with Seven Eleven, Inc. (SEI), a stockholder organized in Texas, U.S.A. This grants the Group the exclusive right to use the 7-Eleven System in the Philippines. In accordance with the agreement, the Group pays, among others, royalty fee to SEI based on a certain percentage of monthly gross sales, net of gross receipts tax.

- b. PSC has transactions with PFI, a foundation with common key management of the Group, consisting of donations and noninterest-bearing advances pertaining primarily to salaries, taxes and other operating expenses initially paid by PSC for PFI.

Balances arising from the foregoing transactions with related parties are as follows:

| Related Parties | Nature of Transactions | Terms and Conditions | Transactions for the Year Ended December 31 | | Outstanding Balance as of December 31 | |
|----------------------------------|-------------------------------|---------------------------------------------------------------------------|---------------------------------------------|--------------|---------------------------------------|-------------|
| | | | 2012 | 2011 | 2012 | 2011 |
| Receivables | | | | | | |
| PFI (Note 5) | Donations | None | ₱2,650,000 | ₱61,355 | ₱- | ₱- |
| | Non-interest bearing advances | Unsecured, no impairment in 2012 and 2011. Amounts are due and demandable | 1,463,967 | 469,856 | 1,637,912 | 173,945 |
| | | | ₱4,113,967 | ₱531,211 | ₱1,637,912 | ₱173,945 |
| Other current liabilities | | | | | | |
| SEI (Note 13) | Royalty fee | Unsecured and payable monthly | ₱133,085,007 | ₱106,490,524 | ₱12,579,753 | ₱10,353,333 |

- c. Compensation of key management personnel are as follows:

| | 2012 | 2011 | 2010 |
|------------------------------|--------------------|-------------|-------------|
| Short-term employee benefits | ₱34,979,611 | ₱31,624,639 | ₱33,663,181 |
| Post-employment benefits | 430,000 | 1,664,000 | 1,662,152 |
| Other long-term benefits | 376,073 | 376,073 | 376,073 |
| | ₱35,785,684 | ₱33,664,712 | ₱35,701,406 |

26. Leases

Finance Lease as Lessor

In March 2007, PSC entered into a five-year sale and leaseback finance lease agreement with an armored car service provider. The lease has no terms of renewal and no escalation clauses. Unguaranteed residual values accruing to the Company amounted to ₱300,000.

In March 2010, the Company amended its agreement with the armored car service provider extending the lease term for another five years from March 1, 2010 to February 1, 2015, imposing 7% interest per annum on the restructured loan obligation and reducing its monthly rental payments. The unguaranteed residual values accruing to the Company was retained. The restructuring resulted in the recognition of a gain on accretion amounting to ₱849,890 and is reported under "Other income" in the 2010 consolidated profit or loss.

Future minimum lease receivables under this lease as of December 31 are as follows:

| | 2012 | 2011 |
|-----------------------------------------------------------|-------------------|------------|
| Within one year | ₱1,591,280 | ₱1,591,280 |
| After one year but not more than five years | 2,156,493 | 3,747,773 |
| Total minimum lease payments receivable | 3,747,773 | 5,339,053 |
| Less unearned interest income | 299,437 | 590,642 |
| Present value of future minimum lease payments receivable | 3,448,336 | 4,748,411 |
| Less current portion (Note 5) | 1,394,060 | 1,300,075 |
| Noncurrent portion (Note 10) | ₱2,054,276 | ₱3,448,336 |

Collection of lease receivable amounted to ₱1,591,280 in 2012 and 2011, respectively.

Present value of lease receivable as of December 31 is as follows:

| | 2012 | 2011 |
|-----------------------------------------------------------|-------------------|------------|
| Within one year | ₱1,394,060 | ₱1,300,075 |
| After one year but not more than five years | 2,054,276 | 3,448,336 |
| Total minimum lease payments receivable | 3,448,336 | 4,748,411 |
| Less current portion | 1,394,060 | 1,300,075 |
| Present value of future minimum lease payments receivable | ₱2,054,276 | ₱3,448,336 |

Unearned interest income as of December 31, 2012 and 2011 amounted to ₱299,437 and ₱590,642, respectively. Related interest income amounted to ₱291,205, ₱378,850 and ₱403,887 in 2012, 2011 and 2010, respectively.

Difference between the original lease agreement's present value of minimum lease payments at the date of lease inception against the carrying value of the finance lease asset resulted in a deferred revenue on finance lease amounting to ₱6,550,753, which is to be amortized on a straight-line basis over the lease term. The related deferred revenue amounted to ₱1,277,398 and ₱1,866,965 as of December 31, 2012 and 2011, with current portion amounting to ₱589,569 in 2012 and ₱589,567 in 2011 (see Notes 13 and 16). Noncurrent portion amounted to ₱687,829 and ₱1,277,398 as of December 31, 2012 and 2011, respectively (see Note 16). Amortization of deferred revenue on finance lease amounted to ₱589,567, ₱589,567 and ₱709,665, in 2012, 2011 and 2010, respectively (see Note 16).

Operating Lease as Lessee

- a. PSC has various lease agreements with third parties relating to its store operations. Certain agreements provide for the payment of rentals based on various schemes such as an agreed percentage of net sales for the month and fixed monthly rate.

Rental expense related to these lease agreements amounted to ₱449,915,799, ₱375,908,146 and ₱314,390,025 in 2012, 2011 and 2010, respectively (see Note 19). Of the total rent expense, ₱2,573,518 in 2012, ₱2,019,210 in 2011 and ₱1,902,221 in 2010 pertains to contingent rent of some stores based on percentage ranging from 1.5% to 3.0% of merchandise sales. Amortization of deferred lease amounted to ₱719,536, ₱1,164,066 and ₱324,200 in 2012, 2011 and 2010, respectively.

The approximate annual future minimum rental payments of the PSC under its existing lease agreements as of December 31 are as follows:

| | 2012 | 2011 |
|---------------------------------------------|---------------------|--------------|
| Within one year | ₱62,130,526 | ₱52,930,899 |
| After one year but not more than five years | 131,556,590 | 114,077,970 |
| More than five years | 12,654,307 | - |
| | ₱206,341,423 | ₱167,008,869 |

- b. In April 2012, CDI entered into a 2-year lease contract for the lease of a warehouse in Cebu commencing in April 2012 until April 2014. The lease has a renewal option and is subject to an annual escalation rate of 5%.

In 2011, CDI entered into a 10-year lease contract for the lease of its warehouse extension effective March 2011. The lease is subject to an annual escalation rate of 4.0% starting on the second year of the lease.

In 2005, CDI entered into a 15-year operating lease contract for the lease of its warehouse effective November 1, 2005. The lease has a renewal option and is subject to an escalation rate of 7.0% every after two years starting on the third year of the lease.

Rent expense related to these lease agreements amounted to ₱33,952,195, ₱23,828,055 and ₱23,494,115 in 2012, 2011 and 2010, respectively (see Note 19). Amortization of deferred lease amounted to ₱1,766,192, ₱1,615,618 and ₱1,090,500 in 2012, 2011 and 2010, respectively.

The approximate annual future minimum rental payments of CDI under its existing lease contract as of December 31 are as follows:

| | 2012 | 2011 |
|---------------------------------------------|---------------------|--------------|
| Within one year | ₱36,902,700 | ₱31,879,766 |
| After one year but not more than five years | 183,491,415 | 138,038,344 |
| More than five years | 75,839,671 | 152,413,780 |
| | ₱296,233,786 | ₱322,331,890 |

CDI also has other various short-term operating leases pertaining to rental of warehouse and equipments. Related rent expense amounted to ₱4,424,506, ₱1,892,401 and ₱3,513,249 in 2012, 2011 and 2010, respectively (see Note 19).

Operating Lease as Lessor

The Group has various sublease agreements with third parties which provide for lease rentals based on an agreed fixed monthly rate or as agreed upon by the parties. Rental income related to these sublease agreements amounted to ₱45,751,718, ₱44,143,593 and ₱37,361,844 in 2012, 2011 and 2010, respectively.

27. Income Tax

- a. The components of the Group's provision for (benefit from) income tax are as follows:

| | 2012 | 2011 | 2010 |
|------------------------------|---------------------|--------------|--------------|
| Current: | | | |
| Regular corporate income tax | ₱211,923,436 | ₱161,398,364 | ₱124,265,727 |
| Final tax on interest income | 445,546 | 586,624 | 693,335 |
| | 212,368,982 | 161,984,988 | 124,959,062 |
| Deferred | (2,346,981) | 165,174 | 3,796,610 |
| | ₱210,022,001 | ₱162,150,162 | ₱128,755,672 |

b. The components of the Group's net deferred income tax assets are as follows:

| | 2012 | | | |
|--------------------------------------------------------|--------------------|-------------------|---------------------|--------------------|
| | PSC | CDI | SSHI | Total |
| Deferred income tax assets: | | | | |
| Net retirement obligations | ₱16,622,188 | ₱1,713,938 | ₱– | ₱18,336,126 |
| Accrued rent | 8,700,799 | 6,705,868 | – | 15,406,667 |
| Unamortized discount on refundable deposit | 4,336,926 | 1,726,139 | – | 6,063,065 |
| Allowance for impairment on receivables | 2,468,178 | – | – | 2,468,178 |
| Provision for litigation losses | 2,119,887 | – | – | 2,119,887 |
| Unamortized past service cost | 3,952,094 | 29,082 | – | 3,981,176 |
| Deferred revenue on exclusivity contracts | 379,464 | – | – | 379,464 |
| Unearned rent income | 127,680 | – | – | 127,680 |
| Unamortized discount on receivable | 37,323 | – | – | 37,323 |
| Unrealized foreign exchange loss | 37,765 | 79,009 | – | 116,774 |
| | 38,782,304 | 10,254,036 | – | 49,036,340 |
| Deferred income tax liabilities: | | | | |
| Deferred lease expense | 3,088,956 | 1,248,107 | – | 4,337,063 |
| Unamortized discount on purchase of refundable deposit | 305,238 | – | – | 305,238 |
| Revaluation increment on land | – | – | 1,384,241 | 1,384,241 |
| | 3,394,194 | 1,248,107 | 1,384,241 | 6,026,542 |
| Net deferred income tax assets (liability) | ₱35,388,110 | ₱9,005,929 | (₱1,384,241) | ₱43,009,798 |
| | 2011 | | | |
| | PSC | CDI | SSHI | Total |
| Deferred income tax assets: | | | | |
| Net retirement obligations | ₱17,606,582 | ₱1,951,234 | ₱– | ₱19,557,816 |
| Accrued rent | 7,951,803 | 6,227,340 | – | 14,179,143 |
| Unamortized discount on refundable deposit | 4,683,505 | 1,860,674 | – | 6,544,179 |
| Allowance for impairment on receivables | 2,231,545 | – | – | 2,231,545 |
| Provision for litigation losses | 2,119,887 | – | – | 2,119,887 |
| Unamortized past service cost | 1,766,126 | 35,681 | – | 1,801,807 |
| Deferred revenue on exclusivity contracts | 959,822 | – | – | 959,822 |
| Unearned rent income | 243,731 | – | – | 243,731 |
| Unamortized discount on receivable | 79,102 | – | – | 79,102 |
| Unrealized foreign exchange loss | 205 | – | – | 205 |
| | 37,642,308 | 10,074,929 | – | 47,717,237 |
| Deferred income tax liabilities: | | | | |
| Deferred lease expense | 3,500,192 | 1,807,512 | – | 5,307,704 |
| Unamortized discount on purchase of refundable deposit | 343,393 | – | – | 343,393 |
| Unamortized capitalized interest | 3,937 | – | – | 3,937 |
| Unrealized foreign exchange gain | – | 15,145 | – | 15,145 |
| Revaluation increment on land | – | – | 1,384,241 | 1,384,241 |
| | 3,847,522 | 1,822,657 | 1,384,241 | 7,054,420 |
| Net deferred income tax assets (liability) | ₱33,794,786 | ₱8,252,272 | (₱1,384,241) | ₱40,662,817 |

- c. The reconciliation of the provision for income tax computed at the statutory income tax rate to provision for income tax shown in the consolidated statements of comprehensive income follow:

| | 2012 | 2011 | 2010 |
|------------------------------------------------------------------------------------------------|---------------------|--------------|--------------|
| Provision for income tax computed at statutory income tax rate | ₱202,394,260 | ₱155,547,945 | ₱121,690,776 |
| Adjustments for: | | | |
| Nondeductible expenses: | | | |
| Inventory losses | 7,162,545 | 5,972,026 | 4,397,733 |
| Interest expense and others | 867,483 | 955,165 | 3,114,649 |
| Tax effect of rate difference between final tax and statutory tax rate on bank interest income | (364,133) | (286,820) | (386,196) |
| Nontaxable other income | (38,154) | (38,154) | (61,290) |
| | ₱210,022,001 | ₱162,150,162 | ₱128,755,672 |

- d. RA 9504, effective on July 7, 2008 allows availment of optional standard deductions (OSD). Corporations, except for nonresident foreign corporations, may now elect to claim standard deduction in an amount not exceeding 40% of their gross income. The Group did not avail of the OSD for the computation of its taxable income in 2012, 2011 and 2010.

28. Basic/Diluted Earnings Per Share

| | 2012 | 2011 | 2010 |
|------------------------------------------------------------|---------------------|--------------|--------------|
| a. Net income | ₱464,625,531 | ₱356,342,989 | ₱276,880,248 |
| b. Weighted average number of shares issued | 399,325,661 | 399,325,661 | 399,325,661 |
| c. Less weighted average number of shares held in treasury | 686,250 | 686,250 | 686,250 |
| d. Weighted average number of shares outstanding (b-c) | 398,639,411 | 398,639,411 | 398,639,411 |
| e. Basic/diluted earnings per share (a/d) | ₱1.17 | ₱0.89 | ₱0.69 |

The Group does not have potentially dilutive common shares as of December 31, 2012, 2011 and 2010. Thus, the basic earnings per share is equal to the diluted earnings per share as of those dates.

The Group's outstanding common shares increased from 347,329,216 to 399,325,661 as a result of stock dividend issuance equivalent to 15% of the outstanding common shares of the Company of 346,642,966 shares approved on July 24, 2012 (see Note 17). Therefore, the calculation of basic/diluted earnings per share for all periods presented has been adjusted retrospectively.

29. Financial Instruments

The following tables summarize the carrying value and fair value of the Group's financial assets and financial liabilities per class as of December 31:

| | 2012 | | 2011 | |
|----------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| FINANCIAL ASSETS | | | | |
| Loans and Receivables | | | | |
| Cash and cash equivalents | | | | |
| Cash on hand and in banks | ₱367,285,569 | ₱367,285,569 | ₱394,696,749 | ₱ 394,696,749 |
| Cash equivalents | 48,000,000 | 48,000,000 | – | – |
| | 415,285,569 | 415,285,569 | 394,696,749 | 394,696,749 |
| Short-term investment | 10,632,115 | 10,632,115 | 10,409,907 | 10,409,907 |
| Receivables | | | | |
| Franchisee | 184,444,213 | 184,444,213 | 89,638,852 | 89,638,852 |
| Suppliers | 137,235,021 | 137,235,021 | 97,257,076 | 97,257,076 |
| Store operators | 19,452,194 | 19,452,194 | 12,878,514 | 12,878,514 |
| Employees | 12,993,209 | 12,993,209 | 15,407,124 | 15,407,124 |
| Rent | 5,638,673 | 5,638,673 | 7,068,009 | 7,068,009 |
| Due from PFI | 1,637,912 | 1,637,912 | 173,945 | 173,945 |
| Current portion of: | | | | |
| Notes receivable | 1,403,344 | 1,403,344 | 1,328,983 | 1,328,983 |
| Lease receivable | 1,394,060 | 1,570,588 | 1,300,075 | 1,563,950 |
| Insurance claims | 614,135 | 614,135 | 319,208 | 319,208 |
| Others | 9,785,082 | 9,785,082 | 13,917,501 | 13,917,501 |
| | 374,597,843 | 374,774,371 | 239,289,287 | 239,553,162 |
| Deposits | | | | |
| Utilities | 33,663,791 | 33,663,791 | 29,267,868 | 29,267,868 |
| Refundable | 25,843,670 | 32,667,920 | 26,789,004 | 27,301,992 |
| Others | 6,017,558 | 6,017,558 | 4,527,970 | 4,527,970 |
| | 65,525,019 | 72,349,269 | 60,584,842 | 61,097,830 |
| Other noncurrent assets | | | | |
| Noncurrent portion of: | | | | |
| Lease receivable | 2,054,276 | 2,036,402 | 3,448,336 | 3,439,941 |
| Notes receivable | 955,355 | 955,355 | 1,689,268 | 1,689,268 |
| | 3,009,631 | 2,991,757 | 5,137,604 | 5,129,209 |
| TOTAL FINANCIAL ASSETS | ₱869,050,177 | ₱876,033,081 | ₱710,118,389 | ₱710,886,857 |
| FINANCIAL LIABILITIES | | | | |
| Other Financial Liabilities | | | | |
| Bank loans | ₱477,777,778 | ₱477,777,778 | ₱374,666,667 | ₱374,666,667 |
| Accounts payable and accrued expenses: | | | | |
| Trade payable | 1,077,213,586 | 1,077,213,586 | 1,066,740,769 | 1,066,740,769 |
| Utilities | 55,148,912 | 55,148,912 | 38,219,462 | 38,219,462 |
| Employee benefits | 22,772,206 | 22,772,206 | 23,954,117 | 23,954,117 |
| Outsourced services | 14,531,473 | 14,531,473 | 12,461,025 | 12,461,025 |
| Advertising and promotion | 8,754,528 | 8,754,528 | 16,054,548 | 16,054,548 |
| Bank charges | 3,860,300 | 3,860,300 | 2,278,700 | 2,278,700 |
| Security services | 3,361,310 | 3,361,310 | 3,054,419 | 3,054,419 |
| Interest | 1,173,579 | 1,173,579 | 1,174,528 | 1,174,528 |
| Others* | 23,116,538 | 23,116,538 | 32,734,076 | 32,734,076 |
| | 1,209,932,432 | 1,209,932,432 | 1,196,671,644 | 1,196,671,644 |
| Other current liabilities: | | | | |
| Non-trade accounts payable | 423,183,843 | 423,183,843 | 188,758,358 | 188,758,358 |
| Retention payable | 24,673,598 | 24,673,598 | 18,688,531 | 18,688,531 |
| Service fees payable | 20,586,182 | 20,586,182 | 19,370,472 | 19,370,472 |
| Royalty | 12,579,753 | 12,579,753 | 10,353,333 | 10,353,333 |
| Others | 4,990,644 | 4,990,644 | 12,700,219 | 12,700,219 |
| | 486,014,020 | 486,014,020 | 249,870,913 | 249,870,913 |
| Cumulative redeemable preferred shares | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 |
| TOTAL FINANCIAL LIABILITIES | ₱2,179,724,230 | ₱2,179,724,230 | ₱1,827,209,224 | ₱1,827,209,224 |

*Excludes withholding taxes payable amounting to ₱2,000 as of December 31, 2012 and 2011.

Fair Value Information

Current Financial Assets and Financial Liabilities

Due to the short-term nature of the related transactions, the fair values of cash and cash equivalents, short-term investment, receivables (except for lease receivables), accounts payable and accrued expenses and other current liabilities approximates their carrying values as of balance sheet date.

Lease Receivables

The fair value of lease receivable is determined by discounting the sum of future cash flows using the prevailing market rates for instruments with similar maturities as of December 31, 2012 and 2011, which is 3.80% and 4.64%, respectively.

Utility and Other Deposits

The fair value of utility and other deposits approximates its carrying value as it earns interest based on repriced market conditions.

Refundable Deposits

The fair value of deposits is determined by discounting the sum of future cash flows using the prevailing market rates for instruments with similar maturities as of December 31, 2012 and 2011 ranging from 1.33% to 4.36% and 2.74% to 6.09%, respectively.

Bank Loans

The carrying value approximates fair value because of recent and monthly repricing of related interest based on market conditions.

Cumulative Redeemable Preferred Shares

The carrying value approximates fair value because corresponding dividends on these shares that are charged as interest expense in profit or loss are based on recent treasury bill rates repriced annually at year end.

Fair Value Hierarchy

As of December 31, 2012 and 2011, the Group has no financial instruments measured at fair value.

30. Financial Risk Management Objectives and Policies

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk and foreign exchange risk. The BOD reviews and approves policies for managing each of these risks. The BOD also created a separate board-level entity, which is the Audit Committee, with explicit authority and responsibility in managing and monitoring risks. The Audit Committee, which ensures the integrity of internal control activities throughout the Group, develops, oversees, checks and pre-approves financial management functions and systems in the areas of credit, market, liquidity, operational, legal and other risks of the Group, and crisis management. The Internal Audit Department and the External Auditor directly report to the Audit Committee regarding the direction, scope and coordination of audit and any related activities.

Listed below are the summarized risk identified by the BOD.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The receivable balances are monitored on an ongoing basis with the result that the Group's exposure to impairment is managed to a not significant level. The Group deals only with counterparty duly approved by the BOD.

The following tables provide information regarding the maximum credit risk exposure of the Group as of December 31:

| | 2012 | 2011 |
|----------------------------------------------------|---------------------|--------------|
| Cash and cash equivalents (excluding cash on hand) | | |
| Cash in bank | P204,668,267 | P277,117,736 |
| Cash equivalents | 48,000,000 | – |
| | 252,668,267 | 277,117,736 |
| Short-term investment | 10,632,115 | 10,409,907 |
| Receivables | | |
| Franchisee | 184,444,213 | 89,638,852 |
| Suppliers | 137,235,021 | 97,257,076 |
| Store operators | 19,452,194 | 12,878,514 |
| Employees | 12,993,209 | 15,407,124 |
| Rent | 5,638,673 | 7,068,009 |
| Due from PFI | 1,637,912 | 173,945 |
| Current portion of: | | |
| Notes receivable | 1,403,344 | 1,328,983 |
| Lease receivable | 1,394,060 | 1,300,075 |
| Insurance claims | 614,135 | 319,208 |
| Others | 9,785,082 | 13,917,501 |
| | 374,597,843 | 239,289,287 |
| Deposits | | |
| Utilities | 33,663,791 | 29,267,868 |
| Refundable | 25,843,670 | 26,789,004 |
| Others | 6,017,558 | 4,527,970 |
| | 65,525,019 | 60,584,842 |
| Other noncurrent assets | | |
| Noncurrent portion of: | | |
| Lease receivable | 2,054,276 | 3,448,336 |
| Notes receivable | 955,355 | 1,689,268 |
| | 3,009,631 | 5,137,604 |
| | P706,432,875 | P592,539,376 |

The following tables provide information regarding the credit risk exposure of the Group by classifying assets according to the Group's credit ratings of debtors:

| | 2012 | | | |
|----------------------------------|-------------------------------|---------------------|----------------------|---------------------|
| | Neither Past Due nor Impaired | | | Total |
| | High Grade | Standard Grade | Past Due Or Impaired | |
| Cash and cash equivalents | | | | |
| Cash in bank | P204,668,267 | P- | P- | P204,668,267 |
| Cash equivalents | 48,000,000 | - | - | 48,000,000 |
| | 252,668,267 | - | - | 252,668,267 |
| Short-term investment | 10,632,115 | - | - | 10,632,115 |
| Receivables | | | | |
| Franchisee | - | 184,444,213 | - | 184,444,213 |
| Suppliers | - | 105,591,971 | 31,643,050 | 137,235,021 |
| Store operators | - | 19,452,194 | - | 19,452,194 |
| Employees | - | 12,993,209 | - | 12,993,209 |
| Rent | - | 5,638,673 | - | 5,638,673 |
| Due from PFI | - | 1,637,912 | - | 1,637,912 |
| Current portion of: | | | | |
| Notes receivable | - | 1,403,344 | - | 1,403,344 |
| Lease receivable | - | 1,394,060 | - | 1,394,060 |
| Insurance claims | - | 614,135 | - | 614,135 |
| Others | - | 3,835,775 | 5,949,307 | 9,785,082 |
| | - | 337,005,486 | 37,592,357 | 374,597,843 |
| Deposits | | | | |
| Utilities | - | 33,663,791 | - | 33,663,791 |
| Refundable | - | 25,843,670 | - | 25,843,670 |
| Others | - | 6,017,558 | - | 6,017,558 |
| | - | 65,525,019 | - | 65,525,019 |
| Other noncurrent assets | | | | |
| Noncurrent portion of: | | | | |
| Lease receivable | - | 2,054,276 | - | 2,054,276 |
| Notes receivable | - | 955,355 | - | 955,355 |
| | - | 3,009,631 | - | 3,009,631 |
| | P263,300,382 | P405,540,136 | P37,592,357 | P706,432,875 |

| | 2011 | | | |
|----------------------------------|-------------------------------|--------------------|----------------------|--------------------|
| | Neither Past Due nor Impaired | | | Total |
| | High Grade | Standard Grade | Past Due Or Impaired | |
| Cash and cash equivalents | | | | |
| Cash in bank | P277,117,736 | P- | P- | P277,117,736 |
| Short-term investment | 10,409,907 | - | - | 10,409,907 |
| Receivables | | | | |
| Suppliers | - | 13,012,022 | 84,245,054 | 97,257,076 |
| Franchisee | - | 89,638,852 | - | 89,638,852 |
| Store operators | - | 12,878,514 | - | 12,878,514 |
| Employees | - | 15,407,124 | - | 15,407,124 |
| Rent | - | 7,068,009 | - | 7,068,009 |
| Current portion of: | | | | |
| Notes receivable | - | 1,328,983 | - | 1,328,983 |
| Current portion | - | 1,300,075 | - | 1,300,075 |
| Insurance claims | - | 319,208 | - | 319,208 |
| Due from PFI | - | 173,945 | - | 173,945 |
| Others | - | 8,256,972 | 5,660,529 | 13,917,501 |
| | - | 149,383,704 | 89,905,583 | 239,289,287 |

(Forward)

| | 2011 | | | |
|--------------------------------|-------------------------------|----------------|----------------------|--------------|
| | Neither Past Due nor Impaired | | | Total |
| | High Grade | Standard Grade | Past Due Or Impaired | |
| Deposits | | | | |
| Utilities | P- | P29,267,868 | P- | P29,267,868 |
| Refundable | - | 26,789,004 | - | 26,789,004 |
| Others | - | 4,527,970 | - | 4,527,970 |
| | - | 60,584,842 | - | 60,584,842 |
| Other noncurrent assets | | | | |
| Noncurrent portion of: | | | | |
| Lease receivable | - | 3,448,336 | - | 3,448,336 |
| Notes receivable | - | 1,689,268 | - | 1,689,268 |
| | - | 5,137,604 | - | 5,137,604 |
| | P287,527,643 | P215,106,150 | P89,905,583 | P592,539,376 |

The Group uses the following criteria to rate credit quality:

| Class | Description |
|----------------|-----------------------------------------------------------------------------------------------------------------------------|
| High Grade | Financial assets that have a recognized foreign or local third party rating or instruments which carry guaranty/collateral. |
| Standard Grade | Financial assets of companies that have the apparent ability to satisfy its obligations in full. |

The credit qualities of the financial assets were determined as follows:

Cash and cash equivalents and short-term investment are classified as high grade since these are deposited or transacted with reputable banks which have low probability of insolvency.

Receivables, deposits and other noncurrent asset are classified as standard grade since these pertain to receivables considered as unsecured from third parties with good paying habits.

The following tables provide the analysis of financial assets that are past due but not impaired and past due and impaired:

| | 2012 | | | | Past due and impaired | Total |
|---------------------|--------------------------------------------------------------|---------------|-------------|-------------|-----------------------|-------------|
| | Aging analysis of financial assets past due but not impaired | | | | | |
| | 31 to 60 days | 61 to 90 days | > 90 days | Total | | |
| Receivables: | | | | | | |
| Suppliers | P9,537,555 | P8,726,274 | P11,101,267 | P29,365,096 | P2,277,954 | P31,643,050 |
| Others | - | - | - | - | 5,949,307 | 5,949,307 |
| | P9,537,555 | P8,726,274 | P11,101,267 | P29,365,096 | P8,227,261 | P37,592,357 |

| | 2011 | | | | Past due and impaired | Total |
|---------------------|--------------------------------------------------------------|---------------|-------------|-------------|-----------------------|-------------|
| | Aging analysis of financial assets past due but not impaired | | | | | |
| | 31 to 60 days | 61 to 90 days | > 90 days | Total | | |
| Receivables: | | | | | | |
| Suppliers | P3,565,821 | P3,058,308 | P75,842,971 | P82,467,100 | P1,777,954 | P84,245,054 |
| Others | - | - | - | - | 5,660,529 | 5,660,529 |
| | P3,565,821 | P3,058,308 | P75,842,971 | P82,467,100 | P7,438,483 | P89,905,583 |

Receivables from suppliers are noninterest-bearing and are generally on 30-day to 90-day terms.

There are no significant concentrations of credit risk within the Group.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments. The Group seeks to manage its liquidity profile to be able to finance its capital expenditures and service its maturing debts. To cover for its financing requirements, the Group intends to use internally generated funds and sales of certain assets.

As part of its liquidity risk management program, the Group regularly evaluates projected and actual cash flow information and continuously assesses conditions in the financial markets for opportunities to pursue fund raising initiatives. The Group uses historical figures and experiences and forecasts of collections and disbursements. These initiatives may include drawing of loans from the approved credit line intended for working capital and capital expenditures purposes and equity market issues.

The tables below summarize the maturity profile of the financial assets of the Group:

| | 2012 | | | | Total |
|----------------------------------|----------------------|------------------------------------|----------------------------------|----------------------|--------------|
| | Three months or less | More than three months to one year | More than one year to five years | More than five years | |
| Cash and cash equivalents | | | | | |
| Cash on hand and in banks | ₱367,285,569 | ₱– | ₱– | ₱– | ₱367,285,569 |
| Cash equivalents | 48,000,000 | – | – | – | 48,000,000 |
| | 415,285,569 | – | – | – | 415,285,569 |
| Short-term investment | 10,632,115 | – | – | – | 10,632,115 |
| Receivables | | | | | |
| Franchisee | 184,444,213 | – | – | – | 184,444,213 |
| Suppliers | 31,685,993 | 105,549,028 | – | – | 137,235,021 |
| Store operators | 19,452,194 | – | – | – | 19,452,194 |
| Employees | 12,993,209 | – | – | – | 12,993,209 |
| Rent | 5,638,673 | – | – | – | 5,638,673 |
| Due from PFI | – | 1,637,912 | – | – | 1,637,912 |
| Current portion of: | | | | | |
| Notes receivable | 201,610 | 1,201,734 | – | – | 1,403,344 |
| Lease receivable | 339,448 | 1,054,612 | – | – | 1,394,060 |
| Insurance claims | – | 614,135 | – | – | 614,135 |
| Others | 9,785,082 | – | – | – | 9,785,082 |
| | 264,540,422 | 110,057,421 | – | – | 374,597,843 |
| Deposits | | | | | |
| Utilities | – | – | 33,663,791 | – | 33,663,791 |
| Refundable | – | – | 25,843,670 | – | 25,843,670 |
| Others | – | – | 6,017,558 | – | 6,017,558 |
| | – | – | 65,525,019 | – | 65,525,019 |
| Other noncurrent assets | | | | | |
| Noncurrent portion of: | | | | | |
| Lease receivable | – | – | 2,054,276 | – | 2,054,276 |
| Notes receivable | – | – | 955,355 | – | 955,355 |
| | – | – | 3,009,631 | – | 3,009,631 |
| | ₱690,458,106 | ₱110,057,421 | ₱68,534,650 | ₱– | ₱869,050,177 |

| | 2011 | | | | Total |
|----------------------------------|-------------------------|------------------------------------------|----------------------------------------|-------------------------|--------------|
| | Three months or less | More than three months to one year | More than one year to five years | More than five years | |
| Cash and cash equivalents | | | | | |
| Cash on hand and in banks | ₱394,696,749 | ₱– | ₱– | ₱– | ₱394,696,749 |
| Short-term investment | – | 10,409,907 | – | – | 10,409,907 |
| Receivables | | | | | |
| Suppliers | 97,257,076 | – | – | – | 97,257,076 |
| Franchisee | 89,638,852 | – | – | – | 89,638,852 |
| Store operators | 12,878,514 | – | – | – | 12,878,514 |
| Employees | 15,407,124 | – | – | – | 15,407,124 |
| Rent | 7,068,009 | – | – | – | 7,068,009 |
| Current portion of: | | | | | |
| Notes receivable | 189,303 | 1,139,680 | – | – | 1,328,983 |
| Lease receivable | 325,019 | 975,056 | – | – | 1,300,075 |
| Insurance claims | – | 319,208 | – | – | 319,208 |
| Due from PFI | – | 173,945 | – | – | 173,945 |
| Others | 13,917,501 | – | – | – | 13,917,501 |
| | 236,681,398 | 2,607,889 | – | – | 239,289,287 |
| Deposits | | | | | |
| Utilities | – | – | 29,267,868 | – | 29,267,868 |
| Refundable | – | – | 26,789,004 | – | 26,789,004 |
| Others | – | – | 4,527,970 | – | 4,527,970 |
| | – | – | 60,584,842 | – | 60,584,842 |
| Other noncurrent assets | | | | | |
| Noncurrent portion of: | | | | | |
| Lease receivable | – | – | 3,448,336 | – | 3,448,336 |
| Notes receivable | – | – | 1,689,268 | – | 1,689,268 |
| | – | – | 5,137,604 | – | 5,137,604 |
| | ₱631,378,147 | ₱13,017,796 | ₱65,722,446 | ₱– | ₱710,118,389 |

The tables below summarize the maturity profile of the financial liabilities of the Group based on remaining undiscounted contractual obligations:

| | 2012 | | | |
|-----------------------------------------------|-------------------------|---------------------------------------------|-----------------------|----------------|
| | Three months or less | More than three months to one year | More than one year | Total |
| Bank loans | ₱457,777,778 | ₱20,000,000 | ₱– | ₱477,777,778 |
| Accounts payable and accrued expenses | | | | |
| Trade payable | 1,077,213,586 | – | – | 1,077,213,586 |
| Utilities | 55,148,912 | – | – | 55,148,912 |
| Employee benefits | 22,772,206 | – | – | 22,772,206 |
| Outsourced services | 14,531,473 | – | – | 14,531,473 |
| Advertising and promotion | 8,754,528 | – | – | 8,754,528 |
| Bank charges | 3,860,300 | – | – | 3,860,300 |
| Security services | 3,361,310 | – | – | 3,361,310 |
| Interest | 1,173,579 | – | – | 1,173,579 |
| Others | 23,118,538 | – | – | 23,118,538 |
| | 1,209,934,432 | – | – | 1,209,934,432 |
| Other current liabilities | | | | |
| Non-trade accounts payable | 47,226,209 | 375,957,634 | – | 423,183,843 |
| Retention payable | – | 24,673,598 | – | 24,673,598 |
| Service fees payable | – | 20,586,182 | – | 20,586,182 |
| Royalty | 12,579,753 | – | – | 12,579,753 |
| Others | – | 4,990,644 | – | 4,990,644 |
| | 59,805,962 | 426,208,058 | – | 486,014,020 |
| Cumulative redeemable preferred shares | 6,000,000 | – | – | 6,000,000 |
| | ₱1,733,518,172 | ₱446,208,058 | ₱– | ₱2,179,726,230 |

2011

| | Three months or less | More than three months to one year | More than one year | Total |
|-----------------------------------------------|-------------------------|---------------------------------------------|-----------------------|----------------|
| Bank loans | ₱293,389,375 | ₱81,277,292 | ₱– | ₱374,666,667 |
| Accounts payable and accrued expenses | | | | |
| Trade payable | 1,066,740,769 | – | – | 1,066,740,769 |
| Utilities | 38,219,462 | – | – | 38,219,462 |
| Employee benefits | 23,954,117 | – | – | 23,954,117 |
| Advertising and promotion | 16,054,548 | – | – | 16,054,548 |
| Outsourced services | 12,461,025 | – | – | 12,461,025 |
| Security services | 3,054,419 | – | – | 3,054,419 |
| Bank charges | 2,278,700 | – | – | 2,278,700 |
| Interest | 1,174,528 | – | – | 1,174,528 |
| Others | 32,736,076 | – | – | 32,736,076 |
| | 1,196,673,644 | – | – | 1,196,673,644 |
| Other current liabilities | | | | |
| Non-trade accounts payable | 23,253,171 | 165,505,187 | – | 188,758,358 |
| Service fees payable | – | 19,370,472 | – | 19,370,472 |
| Retention payable | – | 18,688,531 | – | 18,688,531 |
| Royalty | 10,353,333 | – | – | 10,353,333 |
| Others | – | 12,700,219 | – | 12,700,219 |
| | 33,606,504 | 216,264,409 | – | 249,870,913 |
| Cumulative redeemable preferred shares | 6,000,000 | – | – | 6,000,000 |
| | ₱1,529,669,523 | ₱297,541,701 | ₱– | ₱1,827,211,224 |

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's fair value and cash flows interest rate risk mainly arise from bank loans with floating interest rates. The Group is expecting to substantially reduce the level of bank loans over time. Internally generated funds coming from its cash generating units and from its franchising business will be used to pay off outstanding debts and consequently reduce the interest rate exposure.

The maturity profile of financial instruments that are exposed to interest rate risk are as follows:

| | 2012 | 2011 |
|---------------------------|---------------------|--------------|
| Due in less than one year | ₱477,777,778 | ₱374,666,667 |
| Rate | 3.30%-3.75% | 3.50%-4.25% |

Interest of financial instruments classified as floating rate is repriced at intervals of 30 days. The other financial instruments of the Group that are not included in the above tables are noninterest-bearing and are therefore not subject to interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's income before income tax (through the impact on floating rate borrowings):

| | 2012 | | 2011 | |
|-------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|
| | Increase/ Decrease in Basis Points | Effect on Income Before Income Tax | Increase/ Decrease in Basis Points | Effect on Income Before Income Tax |
| Bank loans - floating interest rate | +100 -100 | (₱4,777,778) 4,777,778 | +100 -100 | (₱3,746,667) 3,746,667 |

There is no other impact on the Group's equity other than those already affecting profit or loss.

Foreign Exchange Risk

Foreign exchange risk is the risk to earnings or capital arising from changes in foreign exchange rates. The Group's foreign exchange exposure arises from holding foreign currency denominated rates, cash and cash equivalents, loans and receivables and merchandise sale to foreign entity. In order to balance this exposure, the Group has some sales denominated in foreign currency and maintains a foreign currency accounts in a reputable commercial bank. The Group does not enter into derivatives to hedge the exposure. The Group's cash and receivables denominated in foreign currency and converted into Peso using the closing exchange rates at each balance sheet date are summarized below.

| | 2012 | | 2011 | |
|-------------|------------------|-------------------|-----------|------------|
| | Dollar | Peso | Dollar | Peso |
| Cash | \$141,607 | ₱5,812,967 | \$59,634 | ₱2,614,355 |
| Receivables | 27,049 | 1,110,362 | 90,349 | 3,960,900 |
| | \$168,656 | ₱6,923,329 | \$149,983 | ₱6,575,255 |

As of December 31, 2012 and 2011, the closing functional currency exchange rate is ₱41.05 and ₱43.84, respectively.

The following table represents the impact on the Group's income before income tax brought about by reasonably possible changes in Peso to Dollar exchange rate (holding all other variables constant) as of December 31, 2012 and 2011 until its next financial reporting date:

| | Change in Peso to Dollar Exchange Rate | Effect on Income before Income Tax |
|-------------|-------------------------------------------|---------------------------------------|
| 2012 | Increase by 6.36% | (₱440,324) |
| | Decrease by 6.36% | 440,324 |
| 2011 | Increase by 3.00% | (₱197,258) |
| | Decrease by 3.00% | 197,258 |

There is no other effect on the Company's equity other than those already affecting profit or loss.

31. Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

In the light of changes in economic conditions, the Group manages dividend payments to shareholders, pay-off existing debts, return capital to shareholders or issue new shares. The Group mainly uses financing from local banks. The Group considers equity contributed by shareholders as capital. The Group manages its capital structure by keeping a net worth of between 30% to 50% in relation to its total assets. The Group's net worth ratio is 42% and 40% as of December 31, 2012 and 2011, respectively. No changes were made in the objectives, policies and processes during the year.

| | 2012 | 2011 |
|--------------------------------------|-----------------------|----------------|
| Common stock | ₱399,325,661 | ₱347,329,216 |
| Additional paid-in capital | 293,525,037 | 293,525,037 |
| Retained earnings | 1,233,432,997 | 855,468,208 |
| | 1,926,283,695 | 1,496,322,461 |
| Less cost of shares held in treasury | 2,923,246 | 2,923,246 |
| | ₱1,923,360,449 | ₱1,493,399,215 |
| Total assets | ₱4,564,348,482 | ₱3,734,298,981 |
| Net worth | 42% | 40% |

As of December 31, 2012 and 2011, the Group was able to meet its objective.

32. Significant Agreements

a. Franchise Agreements

The Group has various store franchise agreements with third parties for the operation of certain stores. The agreement includes a one-time franchise fee payment and an annual 7-Eleven charge for the franchisee, which is equal to a certain percentage of the franchised store's gross profit. Details follows:

| | 2012 | 2011 | 2010 |
|-------------------|---------------------|--------------|--------------|
| Franchise revenue | ₱602,379,025 | ₱478,827,511 | ₱402,620,636 |
| Franchise fee | 81,193,802 | 55,198,201 | 40,202,044 |
| | ₱683,572,827 | ₱534,025,712 | ₱442,822,680 |

b. Service Agreements

The Group has service agreements with third parties for the management and operation of certain stores. In consideration thereof, the store operator is entitled to a service fee based on a certain percentage of the store's gross profit and operating expenses as stipulated in the service agreement. Service fees included under outside services shown as part of "General and administrative expenses" in profit or loss amounted to ₱231,622,046 in 2012, ₱174,464,102 in 2011 and ₱134,893,173 in 2010 (see Note 19).

c. Memorandum of Agreement with TAIT

On April 1, 2011, CDI has entered into a Memorandum of Agreement (MOA) with TAIT Marketing and Distribution Co., Ltd., a corporation duly organized and existing under the laws of the Republic of China (ROC) with principal office at Taiwan, ROC. The contract indicates that CDI shall provide consumer goods and products from Philippine Suppliers that meet the needs and specifications of TAIT. Revenue from merchandise sold to TAIT amounted to ₱2,864,202 and ₱11,974,766 in 2012 and 2011, respectively. Associated cost of goods sold amounted to ₱2,574,025 and ₱9,986,582 in 2012 and 2011, respectively.

d. Commission Income

The Group has entered into agreements with a phone card supplier and various third parties. Under the arrangements, the Group earns commission on the sale of phone cards and collection of bills payments based on a certain percentage of net sales and collections for the month and a fixed monthly rate. Commission income amounted to ₱67,396,391, ₱37,236,539 and ₱29,271,506 in 2012, 2011 and 2010, respectively.

e. 2007 Exclusivity Agreement

The Group has entered into an exclusivity agreement with a third party supplier in the Philippines on October 1, 2007. Upon the effectivity of the agreement, all existing branches of 7-Eleven shall exclusively carry the third party supplier's products and 7-Eleven should not carry any other similar or parallel products. The agreement is for a period of three years starting October 1, 2007 and shall continue in force and effect until December 31, 2010. In June 2008, the Company received a total consideration of ₱11,741,071 in relation to the agreement, to be amortized over three years.

On October 15, 2010, the said agreement was extended for another 3 years. The Company received ₱29,000,000 as a result of the extension.

Income from exclusivity agreement included as part of "Marketing support funds" under "Marketing income" in profit or loss amounted to nil, ₱29,000,000 and ₱3,913,690 in 2012, 2011 and 2010, respectively (see Note 20).

f. 2010 Exclusivity Contract

The Group has also entered into a 3-year exclusivity contract with a Third Party soda manufacturer in the Philippines effective April 2010 to March 2013. The contract indicates that the Third Party soda manufacturer will exclusively supply all slurpee products of 7-Eleven. The Group received a one-time signing bonus amounting to ₱4,464,286 upon the effectivity of the exclusivity supply contract amortized over three years. Income from exclusivity contract included as part of "Marketing support funds" under "Marketing income" in profit or loss amounted to ₱1,488,095, ₱1,488,095, and ₱1,116,071 in 2012, 2011 and 2010, respectively. Deferred revenue as of December 31, 2012 and 2011 amounted to ₱372,024 and ₱1,860,119, respectively (see Note 16).

g. 2010 Signing Bonus

In 2010, the Group collected a signing bonus amounting to ₱2,232,143 from one of the Group's food suppliers for awarding half of the Company's existing Hotdog Stock Keeping Units (SKUs) to the food supplier for the next five years starting January 1, 2010. Income from exclusivity contract included as part of "Marketing support funds" under "Marketing income" in profit or loss amounted to ₱446,429 in 2012, 2011 and 2010 (see Note 20). Deferred revenue as of December 31, 2012 and 2011 amounted to ₱892,857 and ₱1,339,286, respectively (see Note 16).

h. MOA with Chevron Philippines, Inc.

The Group has entered into MOA with Chevron Philippines, Inc. (CPI) on August 6, 2009, wherein CPI has granted the Group as authorized co-locator for a full term of three-years to establish, operate and/or franchise its 7-Eleven stores in CPI service stations. Both parties have identified 22 CPI service stations, wherein the Group will give the Retailers of these service stations a Letter Offer to Franchise (LOF) 7-Eleven stores. Upon acceptance of the Retailers of the LOF, the Retailers will sign a Store Franchise Agreement (SFA) with the Group. If LOF is not accepted by one of the 22 original service stations identified, that service station will be replaced with another mutually acceptable service station site.

Upon signing of the MOA, CPI executed a Caltex Retail Agreement with each of the 22 service station Retailers, which shall have a full term of three years and which will be co-terminus with the SFA.

As of December 31, 2012 and 2011, the Company has already opened 37 and 25 franchised serviced stations, respectively.

33. Segment Reporting

The Group considers the store operations as its only business segment based on its primary business activity. Franchising, renting of properties and commissioning on bills payment services are considered an integral part of the store operations. The Group's identified operating segments below are consistent with the segments reported to the BOD, which is the Chief Operating Decision Maker of the Group.

The products and services from which the store operations derive its revenues from are as follows:

- Merchandise sales
- Franchise revenue
- Marketing income
- Rental income
- Commission income
- Interest income

The aforementioned revenues are all revenues from external customers.

The segment's relevant financial information is as follows:

| | 2012 | 2011 | 2010 |
|-----------------------------------------|------------------------|----------------|----------------|
| Revenue | | | |
| Revenue from merchandise sales | ₱11,713,760,468 | ₱9,435,604,073 | ₱7,612,243,056 |
| Franchise revenue | 683,572,827 | 534,025,712 | 442,822,680 |
| Marketing income | 375,768,257 | 239,888,660 | 147,469,060 |
| Commission income | 67,396,391 | 37,236,539 | 29,271,506 |
| Rent income | 45,751,718 | 44,143,593 | 37,361,844 |
| Interest income | 5,377,093 | 5,864,713 | 5,355,769 |
| Other income | 123,025,663 | 99,300,756 | 72,802,078 |
| | 13,014,652,417 | 10,396,064,046 | 8,347,325,993 |
| Expenses | | | |
| Cost of merchandise sales | 8,523,151,274 | 6,844,562,019 | 5,388,497,887 |
| General and administrative expenses: | | | |
| Depreciation and amortization | 529,277,400 | 380,954,262 | 294,893,482 |
| Others | 3,256,384,195 | 2,631,223,716 | 2,236,496,622 |
| Interest expense | 16,596,830 | 16,024,647 | 16,398,169 |
| Other expenses | 14,595,186 | 4,806,251 | 5,403,913 |
| | 12,340,004,885 | 9,877,570,895 | 7,941,690,073 |
| Income Before Income Tax | 674,647,532 | 518,493,151 | 405,635,920 |
| Provision for Income Tax | 210,022,001 | 162,150,162 | 128,755,672 |
| Segment Profit | ₱464,625,531 | ₱356,342,989 | ₱276,880,248 |
| Segment Assets | ₱4,564,348,482 | ₱3,734,298,981 | ₱3,093,173,359 |
| Segment Liabilities | ₱2,637,758,138 | ₱2,237,669,871 | ₱1,922,744,371 |
| Capital Expenditure for the Year | ₱858,674,993 | ₱717,091,736 | ₱671,923,830 |

34. Provisions and Contingencies

The Group is a party to various litigations involving, among others, employees suing for illegal dismissal, back wages and damage claims, lessors claiming for lease payments for the unexpired portion of the lease agreements in cases of pre-termination of lease agreements, claims arising from store operations and as co-respondents with manufacturers on complaints with the Bureau of Food and Drugs, specific performance and other civil claims. All such cases are in the normal course of business and are not deemed to be considered as material legal proceedings. Further, these cases are either pending in courts or under protest, the outcome of which are not presently determinable. Management and its legal counsel believe that the liability, if any, that may result from the outcome of these litigations and claims will not materially affect their financial position or financial performance.

As of December 31, 2012 and 2011, the Company has provisions amounting to ₱7,066,290 pertaining to probable loss on litigations.

35. Note to Consolidated Statements of Cash Flows

The principal non-cash transaction of the Group under financing activities pertains to the issuance of stock dividends (see Note 17).

PHILIPPINE SEVEN CORPORATION AND SUBSIDIARIES
INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY
SCHEDULES
DECEMBER 31, 2012

- Schedule I: Supplementary schedule of retained earnings available for dividend declaration
- Schedule II: Supplementary schedule of all the effective standards and interpretations as of December 31, 2012
- Schedule III. Map of the relationships of the companies within the group
- Schedule IV. Financial soundness indicators
- Schedule V. Supplementary schedules required by Annex 68-E

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Philippine Seven Corporation
7th Floor, The Columbia Tower
Ortigas Avenue, Mandaluyong City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Philippine Seven Corporation and Subsidiaries (the Group) as at December 31, 2012 and 2011 and for each of the three years in the period ended December 31, 2012, included in this Form 17-A, and have issued our report thereon dated February 18, 2013. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68, As Amended (2011), and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Julie Christine O. Mateo
Partner
CPA Certificate No. 93542
SEC Accreditation No. 0780-AR-1 (Group A),
February 2, 2012, valid until February 1, 2015
Tax Identification No. 198-819-116
BIR Accreditation No. 08-001998-68-2012,
April 11, 2012, valid until April 10, 2015
PTR No. 3670009, January 2, 2013, Makati City

February 18, 2013

PHILIPPINE SEVEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2012

The reconciliation of retained earnings available for dividend declaration as of December 31, 2012 follows:

| | | |
|---------------------------------------------------------|-------------|-----------------------|
| Retained earnings as of December 31, 2011 | | ₱798,983,996 |
| Less: Deferred income tax asset | | (37,642,307) |
| Non-actual/unrealized income, net of tax | | |
| Accretion of interest income* | | (5,784,423) |
| Treasury shares | | (2,923,246) |
| Unrealized foreign exchange gain | | (684) |
| Retained earnings as adjusted, December 31, 2011 | | 752,633,336 |
| Net income during the year closed to retained earnings | 466,897,283 | |
| Less: Non-actual unrealized income, net of tax | | |
| Accretion of interest income | (1,205,938) | |
| Movement in deferred income tax asset | (1,139,998) | |
| Net income actually earned during the year | | 464,551,347 |
| Less: Dividend declarations during the year | | (86,660,742) |
| Retained earnings as adjusted, December 31, 2012 | | ₱1,130,523,941 |

**Based on accretion of income per PAS 39 from 2005-2011.*

PHILIPPINE SEVEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF ALL THE EFFECTIVE
STANDARDS AND INTERPRETATIONS
AS OF DECEMBER 31, 2012

| PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012 | | Adopted | Not Adopted | Not Applicable |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|----------------|--------------------|-----------------------|
| Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics | | ✓ | | ✓ |
| PFRSs Practice Statement Management Commentary | | ✓ | | |
| Philippine Financial Reporting Standards | | | | |
| PFRS 1 (Revised) | First-time Adoption of Philippine Financial Reporting Standards | ✓ | | |
| | Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate | ✓ | | ✓ |
| | Amendments to PFRS 1: Additional Exemptions for First-time Adopters | ✓ | | ✓ |
| | Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters | ✓ | | ✓ |
| | Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters | ✓ | | ✓ |
| | Amendments to PFRS 1: Government Loans | ✓ | | ✓ |
| PFRS 2 | Share-based Payment | ✓ | | ✓ |
| | Amendments to PFRS 2: Vesting Conditions and Cancellations | ✓ | | ✓ |
| | Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions | ✓ | | ✓ |
| PFRS 3 (Revised) | Business Combinations | ✓ | | |
| PFRS 4 | Insurance Contracts | ✓ | | ✓ |
| | Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts | ✓ | | ✓ |
| PFRS 5 | Non-current Assets Held for Sale and Discontinued Operations | ✓ | | ✓ |
| PFRS 6 | Exploration for and Evaluation of Mineral Resources | ✓ | | ✓ |
| PFRS 7 | Financial Instruments: Disclosures | ✓ | | |

| PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012 | | Adopted | Not Adopted | Not Applicable |
|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|----------------|------------------------|---------------------------|
| | Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets | ✓ | | |
| | Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition | ✓ | | |
| | Amendments to PFRS 7: Improving Disclosures about Financial Instruments | ✓ | | |
| | Amendments to PFRS 7: Disclosures - Transfers of Financial Assets | ✓ | | |
| | Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities* | | ✓ | |
| | Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures* | | ✓ | |
| PFRS 8 | Operating Segments | ✓ | | |
| PFRS 9 | Financial Instruments* | | ✓ | |
| | Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures* | | ✓ | |
| PFRS 10 | Consolidated Financial Statements* | | ✓ | |
| PFRS 11 | Joint Arrangements* | | ✓ | |
| PFRS 12 | Disclosure of Interests in Other Entities* | | ✓ | |
| PFRS 13 | Fair Value Measurement* | | ✓ | |
| Philippine Accounting Standards | | | | |
| PAS 1 (Revised) | Presentation of Financial Statements | ✓ | | |
| | Amendment to PAS 1: Capital Disclosures | ✓ | | |
| | Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation | ✓ | | ✓ |
| | Amendments to PAS 1: Presentation of Items of Other Comprehensive Income* | | ✓ | |
| PAS 2 | Inventories | ✓ | | |
| PAS 7 | Statement of Cash Flows | ✓ | | |
| PAS 8 | Accounting Policies, Changes in Accounting Estimates and Errors | ✓ | | |
| PAS 10 | Events after the Balance Sheet Date | ✓ | | |
| PAS 11 | Construction Contracts | ✓ | | ✓ |
| PAS 12 | Income Taxes | ✓ | | |
| | Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets | ✓ | | |
| PAS 16 | Property, Plant and Equipment | ✓ | | |

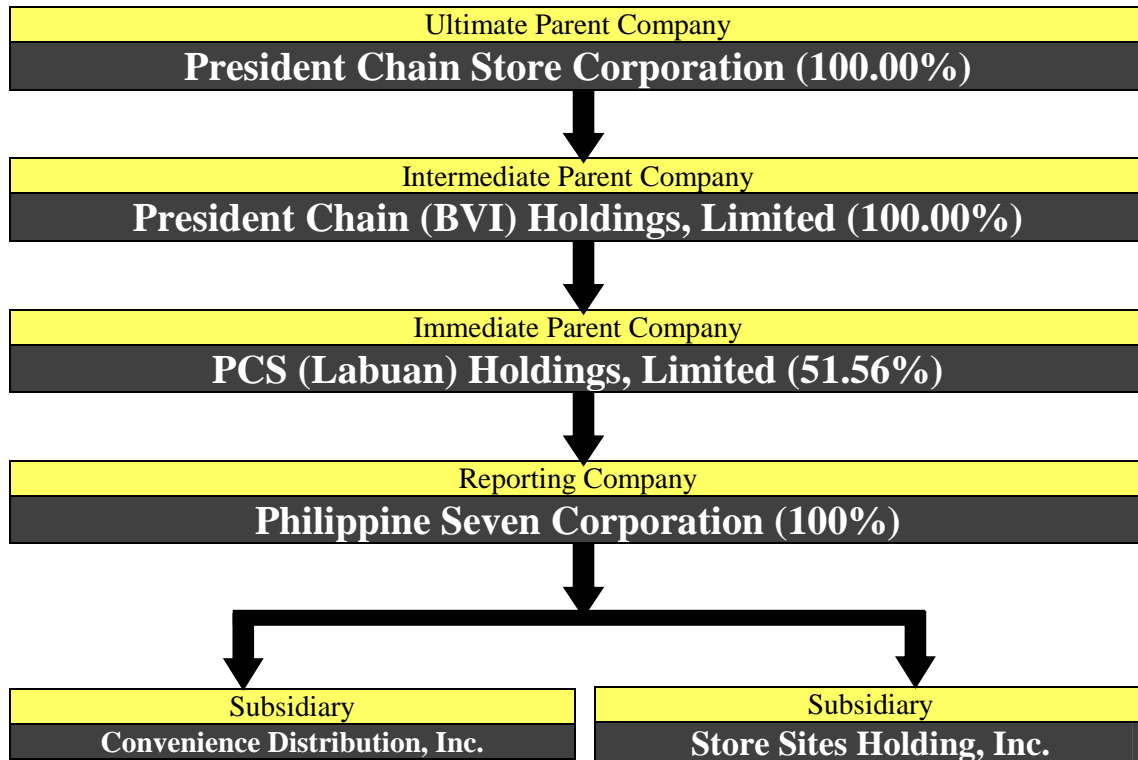
| PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012 | | Adopted | Not Adopted | Not Applicable |
|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|----------------|------------------------|---------------------------|
| PAS 17 | Leases | ✓ | | |
| PAS 18 | Revenue | ✓ | | |
| PAS 19 | Employee Benefits | ✓ | | |
| | Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures | ✓ | | |
| PAS 19 (Revised) | Employee Benefits* | | ✓ | |
| PAS 20 | Accounting for Government Grants and Disclosure of Government Assistance | ✓ | | ✓ |
| PAS 21 | The Effects of Changes in Foreign Exchange Rates | ✓ | | |
| | Amendment: Net Investment in a Foreign Operation | ✓ | | ✓ |
| PAS 23 (Revised) | Borrowing Costs | ✓ | | |
| PAS 24 (Revised) | Related Party Disclosures | ✓ | | |
| PAS 26 | Accounting and Reporting by Retirement Benefit Plans | ✓ | | ✓ |
| PAS 27 (Amended) | Separate Financial Statements* | | ✓ | |
| PAS 28 (Amended) | Investments in Associates and Joint Ventures* | | ✓ | |
| PAS 29 | Financial Reporting in Hyperinflationary Economies | ✓ | | ✓ |
| PAS 31 | Interests in Joint Ventures | ✓ | | ✓ |
| PAS 32 | Financial Instruments: Disclosure and Presentation | ✓ | | |
| | Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation | ✓ | | ✓ |
| | Amendment to PAS 32: Classification of Rights Issues | ✓ | | ✓ |
| | Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities* | | ✓ | |
| PAS 33 | Earnings per Share | ✓ | | |
| PAS 34 | Interim Financial Reporting | ✓ | | |
| PAS 36 | Impairment of Assets | ✓ | | |
| PAS 37 | Provisions, Contingent Liabilities and Contingent Assets | ✓ | | |
| PAS 38 | Intangible Assets | ✓ | | |

| PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012 | | Adopted | Not Adopted | Not Applicable |
|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|----------------|------------------------|---------------------------|
| PAS 39 | Financial Instruments: Recognition and Measurement | ✓ | | |
| | Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities | ✓ | | |
| | Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions | ✓ | | ✓ |
| | Amendments to PAS 39: The Fair Value Option | ✓ | | ✓ |
| | Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts | ✓ | | ✓ |
| | Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets | ✓ | | |
| | Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition | ✓ | | |
| | Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives | ✓ | | ✓ |
| | Amendment to PAS 39: Eligible Hedged Items | ✓ | | ✓ |
| PAS 40 | Investment Property | ✓ | | |
| PAS 41 | Agriculture | ✓ | | ✓ |
| Philippine Interpretations | | | | |
| IFRIC 1 | Changes in Existing Decommissioning, Restoration and Similar Liabilities | ✓ | | ✓ |
| IFRIC 2 | Members' Share in Co-operative Entities and Similar Instruments | ✓ | | ✓ |
| IFRIC 4 | Determining Whether an Arrangement Contains a Lease | ✓ | | |
| IFRIC 5 | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds | ✓ | | ✓ |
| IFRIC 6 | Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment | ✓ | | ✓ |
| IFRIC 7 | Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies | ✓ | | ✓ |
| IFRIC 8 | Scope of PFRS 2 | ✓ | | ✓ |
| IFRIC 9 | Reassessment of Embedded Derivatives | ✓ | | ✓ |
| | Amendments to Philippine Interpretation IFRIC - 9 and PAS 39: Embedded Derivatives | ✓ | | ✓ |

| PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012 | | Adopted | Not Adopted | Not Applicable |
|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|----------------|------------------------|---------------------------|
| IFRIC 10 | Interim Financial Reporting and Impairment | ✓ | | |
| IFRIC 11 | PFRS 2 - Group and Treasury Share Transactions | ✓ | | ✓ |
| IFRIC 12 | Service Concession Arrangements | ✓ | | ✓ |
| IFRIC 13 | Customer Loyalty Programmes | ✓ | | ✓ |
| IFRIC 14 | The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction | ✓ | | ✓ |
| | Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement | ✓ | | ✓ |
| IFRIC 16 | Hedges of a Net Investment in a Foreign Operation | ✓ | | ✓ |
| IFRIC 17 | Distributions of Non-cash Assets to Owners | ✓ | | ✓ |
| IFRIC 18 | Transfers of Assets from Customers | ✓ | | ✓ |
| IFRIC 19 | Extinguishing Financial Liabilities with Equity Instruments | ✓ | | ✓ |
| IFRIC 20 | Stripping Costs in the Production Phase of a Surface Mine* | | ✓ | |
| SIC-7 | Introduction of the Euro | ✓ | | ✓ |
| SIC-10 | Government Assistance - No Specific Relation to Operating Activities | ✓ | | ✓ |
| SIC-12 | Consolidation - Special Purpose Entities | ✓ | | ✓ |
| | Amendment to SIC - 12: Scope of SIC 12 | ✓ | | ✓ |
| SIC-13 | Jointly Controlled Entities - Non-Monetary Contributions by Venturers | ✓ | | ✓ |
| SIC-15 | Operating Leases - Incentives | ✓ | | |
| SIC-21 | Income Taxes - Recovery of Revalued Non-Depreciable Assets | ✓ | | ✓ |
| SIC-25 | Income Taxes - Changes in the Tax Status of an Entity or its Shareholders | ✓ | | ✓ |
| SIC-27 | Evaluating the Substance of Transactions Involving the Legal Form of a Lease | ✓ | | |
| SIC-29 | Service Concession Arrangements: Disclosures. | ✓ | | ✓ |
| SIC-31 | Revenue - Barter Transactions Involving Advertising Services | ✓ | | ✓ |
| SIC-32 | Intangible Assets - Web Site Costs | ✓ | | ✓ |

**These standards, interpretations and amendments to existing standards will become effective subsequent to December 31, 2012.*

PHILIPPINE SEVEN CORPORATION AND SUBSIDIARIES
MAP OF THE RELATIONSHIP OF THE COMPANIES WITHIN
THE GROUP
DECEMBER 31, 2012



PHILIPPINE SEVEN CORPORATION AND SUBSIDIARIES
FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2012

| Ratios | Formula | In Php | 2012 | 2011 | % Change |
|-------------------------------------|--------------------------------------------------------------------------|-----------------------------------------------------------|--------|--------|----------|
| Current Ratio | $\frac{\text{Current assets}}{\text{Current liabilities}}$ | $\frac{1,786,509,977}{2,386,093,301}$ | 0.75 | 0.67 | 11.94% |
| Debt-to-equity ratio | $\frac{\text{Total liabilities}}{\text{Total stockholders' equity}}$ | $\frac{2,637,758,138}{1,926,590,344}$ | 1.37 | 1.50 | -8.67% |
| Asset-to-equity ratio | $\frac{\text{Total assets}}{\text{Total stockholders' equity}}$ | $\frac{4,564,348,482}{1,926,590,344}$ | 2.37 | 2.50 | -5.20% |
| Interest rate coverage ratio | $\frac{\text{Earnings before interest \& tax}}{\text{Interest expense}}$ | $\frac{674,647,532 + 16,596,830}{16,596,830}$ | 41.65 | 33.36 | 24.86% |
| Net income margin | $\frac{\text{Net income}}{\text{Revenue}}$ | $\frac{464,625,531}{13,014,652,417}$ | 3.57% | 3.43% | 4.08% |
| Return on equity | $\frac{\text{Net income}}{\text{Ave. Total stockholders' equity}}$ | $\frac{464,625,531}{(1,926,590,344 + 1,496,629,110) / 2}$ | 24.12% | 23.81% | 1.59% |

PHILIPPINE SEVEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-E
DECEMBER 31, 2012

Schedule A. Financial Assets

| Name of issuing entity and association of each issue | Number of shares or principal amount of bonds and notes | Amount shown in the balance sheet | Valued based on market quotations at end of reporting period | Income received and accrued |
|------------------------------------------------------|---------------------------------------------------------|-----------------------------------|--------------------------------------------------------------|-----------------------------|
| Loans and Receivables | | | | |
| Cash and cash equivalents | N/A | ₱415,285,569 | N/A | ₱2,589,071 |
| Short-term investment | N/A | 10,632,115 | N/A | 268,625 |
| Receivables | N/A | 374,597,843 | N/A | 128,251 |
| Deposits | N/A | 65,525,019 | N/A | 2,099,941 |
| Other noncurrent assets | N/A | 3,009,631 | N/A | – |
| | | ₱869,050,177 | | ₱5,085,888 |

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

| Name and Designation of debtor | Balance of Beginning of Period | Additions | Amounts collected | Amounts Written off | Current | Non Current | Balance at end of period |
|--------------------------------|--------------------------------|------------|-------------------|---------------------|-------------|-------------|--------------------------|
| BARCENAS, ANGELITO SIGUENZA | ₱535,135.65 | ₱44,485.13 | ₱67,546.80 | ₱– | ₱512,073.98 | – | ₱512,073.98 |
| APOLINARIO, VIOLETA BUMALAY | 483,562.65 | 46,534.97 | 134,929.34 | – | 395,168.28 | – | 395,168.28 |
| BATACLAN, EDUARDO PEREZ | 6,752.32 | 505,714.44 | 133,168.00 | – | 379,298.76 | – | 379,298.76 |
| BUENO, OLIVIA ENRIQUEZ | – | 308,820.11 | 18,682.53 | – | 290,137.58 | – | 290,137.58 |
| AQUINO, CYRUS JUDE ENRIQUEZ | – | 313,048.03 | 37,365.06 | – | 275,682.97 | – | 275,682.97 |
| RODRIGUEZ, ROBER CARMELO B. | – | 317,152.07 | 49,820.08 | – | 267,331.99 | – | 267,331.99 |
| FERNANDEZ, LIWAYWAY TENGCO | 352,298.17 | 40,720.37 | 138,105.76 | – | 254,912.78 | – | 254,912.78 |
| SALAZAR, ELENA TUAZON | – | 328,375.88 | 74,014.93 | – | 254,360.95 | – | 254,360.95 |

| Name and Designation of debtor | Balance of Beginning of Period | Additions | Amounts collected | Amounts Written off | Current | Non Current | Balance at end of period |
|-----------------------------------|--------------------------------|------------|-------------------|---------------------|-------------|-------------|--------------------------|
| TRINIDAD, MAGDALENA PALULAN | ₱294,927.48 | ₱47,875.14 | ₱97,374.04 | ₱- | ₱245,428.58 | ₱- | ₱245,428.58 |
| BELTRAN, SEVERINO III | - | 251,835.45 | 15,235.14 | - | 236,600.31 | - | 236,600.31 |
| SORIANO, MA. JULIA SALUD AMPER | 238,618.54 | 28,849.77 | 39,741.28 | - | 227,727.03 | - | 227,727.03 |
| DE GUZMAN, MARIA CELINA DE GUZMAN | 283,351.71 | 23,103.45 | 80,260.06 | - | 226,195.10 | - | 226,195.10 |
| BORRAL, ULYSSES DE VERA | 279,580.91 | 23,103.45 | 79,025.39 | - | 223,658.97 | - | 223,658.97 |
| ABAD, GIL MEDINA | 273,860.01 | 30,502.70 | 91,025.07 | - | 213,337.64 | - | 213,337.64 |
| NUCUM, EMMA BAYLON | 254,144.50 | 20,379.00 | 77,895.84 | - | 196,627.66 | - | 196,627.66 |
| CAGASAN, ARMI ANDRADE | 247,899.46 | 36,736.26 | 94,464.37 | - | 190,171.35 | - | 190,171.35 |
| MERINO, JAIME UNSON | 211,884.66 | 33,328.84 | 65,334.60 | - | 179,878.90 | - | 179,878.90 |
| MEDINA, FRANCIS SANTOS | 181,167.17 | 191,800.88 | 199,974.58 | - | 172,993.47 | - | 172,993.47 |
| ANG, JOSE CHUA JR. | 277,245.13 | 31,106.21 | 138,105.76 | - | 170,245.58 | - | 170,245.58 |
| AMANCIO, ELLEN ZUELA | - | 182,611.36 | 18,163.58 | - | 164,447.78 | - | 164,447.78 |
| PADLAN, PRUDENCIO AQUINO JR. | - | 182,611.36 | 19,748.41 | - | 162,862.95 | - | 162,862.95 |
| TY, JENNYLYN DAVID | - | 185,005.38 | 25,429.01 | - | 159,576.37 | - | 159,576.37 |
| CRUZADO, ALEXANDER MENDOZA | - | 191,550.90 | 37,449.87 | - | 154,101.03 | - | 154,101.03 |
| PEREZ, LEE GONZALO IGNACIO | 195,913.58 | 29,025.21 | 76,489.32 | - | 148,449.47 | - | 148,449.47 |
| LATADE, HILARIO REYES | 175,000.00 | 18,743.14 | 47,763.44 | - | 145,979.71 | - | 145,979.71 |

| Name and Designation of debtor | Balance of Beginning of Period | Additions | Amounts collected | Amounts Written off | Current | Non Current | Balance at end of period |
|---------------------------------------------------|--------------------------------|------------|-------------------|---------------------|-------------|-------------|--------------------------|
| TABLANTE, DENNIS AUSTRIA | ₱174,656.25 | ₱26,278.16 | ₱56,181.05 | ₱- | ₱144,753.36 | ₱- | ₱144,753.36 |
| SANTOS, RICARDO DIAZ | 171,510.97 | 16,208.26 | 43,849.19 | - | 143,870.04 | - | 143,870.04 |
| ARAPE, PRIMO OBISCORO | 172,679.79 | 14,354.64 | 43,592.52 | - | 143,441.91 | - | 143,441.91 |
| SALAMAT, ARTHUR ASUNCION | 171,367.29 | 14,572.29 | 43,592.52 | - | 142,347.06 | - | 142,347.06 |
| MANUEL, RICHARD SANCHEZ | 171,510.97 | 14,391.91 | 43,849.20 | - | 142,053.68 | - | 142,053.68 |
| MONTILLANO, MARISSA ESTACIO | 171,510.97 | 19,172.47 | 48,629.76 | - | 142,053.68 | - | 142,053.68 |
| AGBUNAG, JENNIFER ENDERIO | 171,510.97 | 14,135.35 | 43,592.64 | - | 142,053.68 | - | 142,053.68 |
| ESPIRITU, NENITA VELASCO | 171,510.97 | 43,546.79 | 73,004.08 | - | 142,053.68 | - | 142,053.68 |
| CASILDO, MARISSA MONGCAL PACHECO, RUBIE DE GUZMAN | 182,870.01 | 34,260.69 | 76,489.32 | - | 140,641.38 | - | 140,641.38 |
| | - | 138,627.10 | 37,182.39 | - | 101,444.71 | - | 101,444.71 |
| CASTILLONE S, JANICE JULIO | 175,364.98 | 15,875.66 | 51,659.50 | - | 139,581.14 | - | 139,581.14 |
| GUERRA, MA. ELISA AMBA | 198,243.68 | 17,571.16 | 76,489.32 | - | 139,325.52 | - | 139,325.52 |
| MABAQUIAO, VIRGILIO BATA | 169,550.92 | 10,355.77 | 43,592.64 | - | 136,314.05 | - | 136,314.05 |
| ALDA, MARY GRACE TRINIDAD | 164,351.68 | 12,807.16 | 44,059.71 | - | 133,099.14 | - | 133,099.14 |
| BRAVO, ANDREW DORIA | 167,729.65 | 13,477.00 | 48,541.46 | - | 132,665.19 | - | 132,665.19 |
| MORAGA, CONRADO RODRIGUEZ | 157,148.55 | 20,774.80 | 52,586.52 | - | 125,336.83 | - | 125,336.83 |
| MASANGKA Y, MARK ERWIN DELA PENA | 161,034.86 | 20,774.77 | 50,727.37 | - | 131,082.26 | - | 131,082.26 |

| Name and Designation of debtor | Balance of Beginning of Period | Additions | Amounts collected | Amounts Written off | Current | Non Current | Balance at end of period |
|----------------------------------|--------------------------------|----------------------|----------------------|---------------------|-----------------------|-------------|--------------------------|
| SERRANO, MARK RAYMOND GAMBOA | ₱161,681.23 | ₱13,441.41 | ₱50,515.53 | ₱- | ₱124,607.11 | ₱- | ₱124,607.11 |
| CASUPANA N, REYNALDO VALERIO JR. | 153,443.74 | 15,343.32 | 44,618.77 | - | 124,168.29 | - | 124,168.29 |
| GAYANILO, FRANCISCO RODEROS JR. | 153,601.42 | 14,905.82 | 44,618.79 | - | 123,888.45 | - | 123,888.45 |
| MARTINEZ, ACHILLES ARCE | 155,926.87 | 47,573.29 | 79,612.50 | - | 123,887.66 | - | 123,887.66 |
| HARN, CHARLENE PATIO | 153,571.39 | 12,580.15 | 42,759.73 | - | 123,391.81 | - | 123,391.81 |
| SISON, RONALD ONCHANGCO | 152,303.28 | 40,458.37 | 71,828.96 | - | 120,932.69 | - | 120,932.69 |
| SEGUN, ROMMEL JAMBO MENDOZA | 152,383.76 | 12,580.15 | 44,618.82 | - | 120,345.09 | - | 120,345.09 |
| NAZARRO, JEFF GLENN LAMADRID | - | 130,436.68 | 15,568.80 | - | 114,867.88 | - | 114,867.88 |
| OTHER EMPLOYEE CAR LOANS | 1,624,592.86 | 764,406.33 | 1,851,760.65 | - | 537,238.52 | - | 537,238.52 |
| OTHER RECEIVABLES FROM EMPLOYEE | 5,655,724.82 | 1,055,166.55 | 3,400,376.52 | - | 3,310,514.85 | - | 3,310,514.85 |
| TOTAL | ₱15,407,123.82 | ₱5,967,095.55 | ₱8,381,010.52 | ₱- | ₱12,993,208.85 | ₱- | ₱12,993,208.85 |

Schedule C. Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements

| Name and Designation of Debtor | Balance of Beginning of Period | Additions | Amounts collected | Amounts Written off | Current | Non Current | Balance at end of period |
|-------------------------------------------|--------------------------------|-------------|-------------------|---------------------|----------|-------------|--------------------------|
| CONVENIENCE DISTRIBUTION,INC.- Subsidiary | ₱1,967,947 | ₱29,638,465 | ₱30,687,074 | ₱- | ₱919,338 | ₱- | ₱919,338 |
| STORE SITES HOLDINGS,INC.- Subsidiary | 156,826 | 683,787 | 621,615 | - | 218,848 | - | 218,848 |

Schedule D. Intangible Assets - Other Assets

| Description | Beginning balance | Additions at cost | Charged to cost and expenses | Charged to other accounts | Other Charges additions (deductions) | Ending balance |
|-------------------------|-------------------|-------------------|------------------------------|---------------------------|--------------------------------------|----------------|
| Software & Program Cost | ₱2,484,126 | ₱190,000 | ₱1,490,475 | ₱- | ₱- | ₱1,183,651 |
| Goodwill | 65,567,524 | - | - | - | - | 65,567,524 |

Schedule E. Long Term Debt

| Title of Issue and type of obligation | Amount authorized by indenture | Amount shown under caption "Current portion of long-term debt" in related balance sheet | Amount shown under caption " Long Term Debt" in related balance sheet" |
|---------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| NONE | - | - | - |

Schedule F. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

| | Balance of beginning of period | Balance of end of period |
|------|--------------------------------|--------------------------|
| NONE | - | - |

Schedule G. Guarantees of Securities of Other Issuers

| Name of issuing entity of securities guaranteed by the company for which this statement is filed | Title of issue of each class of securities guaranteed | Total amount guaranteed and outstanding | Amount owned by person for which statement is filed | Nature of Guarantee |
|--------------------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|-----------------------------------------------------|---------------------|
| NONE | - | - | - | - |

Schedule H. Capital Stock

| Title of Issue | Number of Shares authorized | Number of shares issued and outstanding as shown under related balance sheet caption | Number of shares reserved for options, warrants, conversion and other rights | Number of shares held by related parties | Directors, officers and employees | Others |
|----------------|-----------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------|-----------------------------------|-------------|
| COMMON STOCK | 600,000,000 | 398,639,411 | - | 203,934,248 | 28,446,038 | 166,259,125 |

Appendix "C"

Management's Discussion and Analysis of Results of Operations and Financial Condition

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the accompanying consolidated financial statements and the related notes as of December 31, 2012 and 2011. This discussion contains forward-looking statements that reflect our current views with respect to future events and our future financial performance. These statements involve risks and uncertainties and our actual results may differ materially from those anticipated in these forward-looking statements. On a periodic basis, we evaluate our estimates, including those related to revenue recognition, goodwill, capitalized assets and income taxes. We base our estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances.

SELECTED FINANCIAL DATA

| | For the Period Ended and As of December 31, | | |
|-------------------------------------------|---------------------------------------------|------------|-----------|
| | 2012 | 2011 | 2010 |
| SYSTEM WIDE SALES | 13,370,773 | 10,696,614 | 9,112,829 |
| Statement of Income Data: | | | |
| Revenues and other income | | | |
| Revenue from merchandise sales | 11,713,760 | 9,435,604 | 7,612,243 |
| Franchise revenue | 683,573 | 534,026 | 442,823 |
| Marketing income | 375,768 | 239,889 | 147,469 |
| Commission income | 67,396 | 37,236 | 29,272 |
| Others (net) | 159,559 | 144,503 | 110,116 |
| Cost and expenses | | | |
| Cost of merchandise sales | 8,523,151 | 6,844,562 | 5,388,498 |
| General & administrative expenses | 3,785,662 | 3,012,178 | 2,531,390 |
| Interest expense | 16,597 | 16,025 | 16,398 |
| Total comprehensive income | 464,626 | 356,343 | 276,880 |
| Earnings per share (EPS) | 1.17 | 0.89 | 0.69 |
| Cash Flow Data: | | | |
| Net cash provided by operating activities | 869,491 | 787,909 | 664,305 |
| Net cash used in investing activities | (900,455) | (760,848) | (703,096) |
| Net cash used in financing activities | 51,849 | 8,799 | (50,931) |
| Balance Sheet Data: | | | |
| Total assets | 4,564,348 | 3,734,299 | 3,093,173 |
| Total liabilities | 2,637,758 | 2,237,670 | 1,922,744 |
| Total stockholders' equity | 1,926,590 | 1,496,629 | 1,170,429 |

(Amount in thousands, except EPS)

OVERVIEW

Philippine Seven Corporation (PSC or the Company) operates the largest convenience store network in the country. It acquired from Southland Corporation (now Seven Eleven Inc.) of Dallas, Texas the license to operate 7-Eleven stores in the Philippines in December 1982.

Operations commenced with the opening of its first store in February 1984 at the corner of Kamias Road and EDSA Quezon City. In light of the country's economic condition in the eighties, the Company grew slowly and steadily in the first few years of its existence.

In 1993, PSC, encouraged by the resurgent national economy, stepped up its rate of expansion. This was supported by the proceeds coming from the initial public offering of its common shares in 1998. Recognizing the need to establish stable system infrastructure and logistics, the Company, in the year 2000, decided to create an alliance with President Chain Stores Corporation, then the second largest 7-Eleven operator globally.

Store expansion grew at a faster pace beginning in 2005 through the franchise business model and close collaboration with business partners. This was backed by a strong logistics system and back office support.

At the end of 2012, 7-Eleven has 829 stores, mainly in Metro Manila and in major towns and cities in Luzon. The Company successfully penetrated the Visayas through Cebu City as it was able to end the year with 25 stores in that market.

Out of the 829 7-Eleven Convenience Stores, about two thirds are operated by third party franchisees and the remainder are company-owned. A total of 148 new stores were opened in 2012 against 8 closures.

The retail chain of convenience stores is sustained by a manpower complement of 2,666 (regular and outsourced) employees engaged in corporate store operations and in various support service units. Despite of growing competition, PSC maintains its leadership in the CVS industry.

PSC derives its revenues principally from retail sales of merchandise, commissions, marketing income and franchising activities. The primary expenses consist of cost of goods, general and administrative expense and income taxes.

7-Eleven seeks to meet the needs of its customers and maintain a leadership position in the C-store industry by taking advantage of economies of scale, technology, people and a widely recognized brand. Its vision is to be the best retailer of convenience for emerging markets.

During the second half of 2012, PSC has successfully opened its first twenty-five stores, and its second distribution center, in Cebu City. This is the Company's first venture outside Luzon, which is home to half the country's population as well as the capital of Metro Manila. It is a significant first step in the company's push to bring modern convenience wherever feasible to the rest of the archipelago – a more logistically complex market than the contiguous and highly urbanized Luzon.

Cebu is the 2nd largest city after Metro Manila, and, we believe, the key to the Visayas. It is a tourist favorite, has a fast growing BPO sector, and is rapidly urbanizing. Given the

importance of this market, we invested heavily in advertising, and were rewarded with sales that exceeded our expectations. We intend to have over a hundred stores on our 3rd year.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS IN 2012 COMPARED WITH 2011

Results of Operations

For the Fourth Quarter

Net income generated in the fourth quarter jumped by 32.3% to P240.2 million from P181.6 million registered in the same period last year.

System wide sales, which represent sales of all corporate and franchise-operated stores, rose by 22.8% to P3.7 billion during the quarter. This is largely driven by the opening of new stores and complemented by the 1.6% growth in same store sales. Q4 ended with 829 stores, up by 140 stores or 20.3% from the same period last year.

Several of the stores we opened in Cebu were converted Caltex convenience stores. PSC has renewed its strategic alliance with Chevron Philippines which make investment in conversions more viable. There are close to forty 7-Eleven outlets in various Caltex stations in Metro Manila and Cebu City at the end of Q4, and we expect this number to increase.

Q4 earnings grew at a faster rate compared to sales and can be attributed to improvement in gross margin, increase in marketing income and higher franchise fee collection.

Costs increased because of our push into Cebu, where frontloaded advertising spend even before opening and high logistics costs from an underutilized warehouse drove up expenses. We expect the region to become profitable as we normalize ad spend and achieve scale, and view the initial expenses as a necessary investment to gain first mover advantage in the Visayas.

Marketing income continues to enhance the bottom-line by posting growth of 44.0% to P284.3 million. This represents suppliers' support from various promotions. Historically, bulk of marketing income is earned during the latter part of the year - more promo activities are slated, and annual volume rebates, in the fourth quarter.

Following reporting conventions of listed local and international retailers, some components of marketing income were reclassified to cost of goods sold. Previous periods were also restated for comparability. There is no impact on net income and retained earnings.

Further, franchise revenues registered an increase of 28.0% to P196.2 million from P153.2 million a year ago as we increased the number of franchised stores.

Management believes the Company can sustain momentum moving forward to meet store expansion and profit goals. We however may do what we have to in the short term to protect and expand industry leadership in the long term, as rewards for market share are especially strong in the convenience store sector.

For the Twelve Months Ended December 31

At the end of 2012, PSC has generated net income aggregating to P464.6 million. This represents an increase of 30.4% compared with the 2011 level of P356.3 million. EPS during

the period likewise grew by 31.5% and is pegged at P1.17 per share from P0.89 per share a year ago.

The improved earnings results can be attributed to the 3.0% growth in same store sales and increase in marketing income and franchise revenues. Inventory management system and effective execution of promotion programs also contributed favorably.

System-wide sales rose by 25.0% to P13.4 billion from P10.7 billion in 2011. This was driven mainly by the increase in store base and favorable sales registered by mature stores. Total stores reached 829 at the end of 2012. This represents a net increase of 140 stores or 20.0% over the 2011 level.

Revenue from merchandise sales registered increase of 24.1% to P11.7 billion while cost of goods sold went up by 24.5% to P8.5 billion resulting into gross profit of P3.2 billion, higher by 23.1% compared with the same period in 2011.

New operators boosted franchise store count to 554 and grew franchise revenues by 28.0% to P683.6 million from P534.0 million at the end of 2011. To date, franchised stores accounted for 67.0% of total compared to 64.0% in the same period last year.

Marketing income posted growth of 56.6% to P375.8 million as we expanded brand building opportunities for vendor partners, and as increased sales made it easier to request for more equitable treatment vis-à-vis other channels.

Following reporting conventions of listed local and international retailers, some components of marketing income were reclassified to cost of goods sold. Previous periods were also restated for comparability. There is no impact on net income and retained earnings.

EBITDA (earnings before interest, taxes, depreciation and amortization) rose by 33.5 percent from P912.9 million in 2011 to P1.2 billion at end 2012 while EBITDA margin improved to 8.9% from 8.3%.

The ability of the Company to generate free cash flow did not substantially change in 2012 despite of the faster rate of increase in current assets, which grew by 34.8% against the 19.8 uptick in current liabilities.

Current assets increased due to inventory build up, timing difference in receivables and payment of advance rent for stores waiting to open. Current liabilities, on the other hand, increased at a slower pace as we took advantage of shorter payment terms in return for increased rebates and discounts.

As a result, net cash flow provided by operations stood at P869.5 million against net cash outflow from investing activities, which mainly came from capital expenditures, of P900.4 million. This translated into a negative free cash flow of P31.0 million, a reversal from the positive free cash flow of P27.1 million in 2011.

Stock price of PSC increased over 250% from only P25.90 at the beginning of the year to P92.00 per share by year-end, a price-earning multiple of nearly 80 times.

Revenue and Gross Margin

The Company registered total revenue from merchandise sales of P11.7 billion in 2012, an increase of 24.1% compared to P9.4 billion in 2011. Cost of merchandise sold rose by P1.7 billion to P8.5 billion during 2012.

Gross Profit stood at P3.2 billion, while GP in relation to sales went down by 0.22% owing to the dilution brought about by the increase in Company's sales to franchise stores, which are accounted for at zero mark-up. Notwithstanding this factor, real gross profit ratio to sales went up by 0.7% points compared to the level a year ago.

Along with its 24/7 convenience, PSC also offers services including bills payment, phone/call cards and sim packs, and 7-Connect that allows customers to pay for selected online purchases with cash through any 7-Eleven store. These products in the services category plus consigned goods form part of commission income, which increased by 81.0% to P67.4 million during the year.

We intend to grow services as new opportunities surface due to technological progress. In the third quarter of 2012, we announced a partnership with Philippine Airlines that allows passengers to pay for tickets booked online at our stores. This latest innovation will be implemented in partnership with our third party payment processor ECPay.

| | FY2012 | FY2011 | Increase (Decrease) | |
|---------------------------------------|-------------|------------|---------------------|------------|
| | | | Value | Percentage |
| Revenue from merchandise sales | ₱11,713,760 | ₱9,435,604 | ₱2,278,156 | 24% |
| Cost of merchandise sales | 8,523,151 | 6,844,562 | 1,678,589 | 25% |
| Gross profit | ₱3,190,609 | ₱2,591,042 | ₱599,567 | 23% |
| Commission income | ₱67,396 | ₱37,237 | ₱30,159 | 81% |
| <i>(amount in thousand Pesos)</i> | | | | |

Other Income

Other income mainly consists of marketing income, franchise revenues and rentals. The Company's total other income increased by P310.3 million, to P1.2 billion as a result of the following:

Marketing income grew by 57.0% to P375.8 million from 2011 level. This is due to increased supplier-supported ad and promo spending, driven by system innovations that allow an increasing number of options for our supplier partners to build their brands in our stores. The goal is to leverage the convenience of our locations and the interconnectedness of our systems to become the preferred venue for manufacturer's brand building needs. Increased sales have also made it easier for us to seek a fairer share of manufacturer's trade spend vis-à-vis other more established channels such as supermarkets.

Following reporting conventions of listed local and international retailers, some components of marketing income were reclassified to cost of goods sold. Previous periods were also restated for comparability. There is no impact on net income and retained earnings.

Display charges and certain marketing support funds previously recorded within marketing income have been reclassified as purchase discounts as part of "net purchases" under "cost

of merchandise sales". Total amount reclassified amounted to P297.9 million and P246.9 million in 2012 and 2011, respectively

The Company's share in the gross profit of franchise-operated stores is recognized as franchise revenue and it climbed to P683.6 million from P534.0 million at the end of 2011. This was the result of the increase in number of franchise-operated stores. Moreover, rent income related to the stores' subleased spaces increased by 4% to P45.8 million which was attributable to the increase in occupancy rate.

No significant element of income came from sources other than the result of the Company's continuing operations.

| | FY2012 | FY2011 | Increase (Decrease) | |
|-----------------------------------|------------------|----------------|---------------------|------------|
| | | | Value | Percentage |
| Franchise revenue | 683,573 | 534,026 | 149,547 | 28% |
| Marketing income | 375,768 | 239,889 | 135,879 | 57% |
| Rental income | 45,752 | 44,144 | 1,608 | 4% |
| Other income | 128,403 | 105,165 | 23,238 | 22% |
| Total | 1,233,496 | 923,224 | 310,272 | 34% |
| <i>(amount in thousand Pesos)</i> | | | | |

General and Administrative Expense

General and administrative expense which is comprised of store operating and selling expenses as well as headquarters expenses went up by 25.7% or ₱773.5 million and totaled to ₱3.8 billion in 2012. The increase in expense can be mainly attributed to the higher number of operating stores.

Communication, light and water were the highest contributor in expenses and accounted for 21.7% of the total G & A in 2012. This represents a 34.6% increase compared with 2011 level, largely due to an increase in electricity rates.

Outside services accounted for 17.5% of total G & A expense and this is followed by depreciation and amortization with 13.9% and rent expense with 12.9% contribution. Relative to sales, rent expense incurred improved to 4.2% from 4.3%.

Personnel costs aggregated to ₱270.0 million and declined by 0.7% compared with preceding year's level as the Company continued with its outsourcing initiatives to contain costs. Ratio to sales was 2.3% in 2012 and 2.9% in 2011. Personnel costs include salaries and wages at ₱217.4 million, employee benefits at ₱36.4 million and pension costs at ₱16.2 million. Combined personnel and outsourced services, net of service fees improved in relation to revenue.

All other expense types went up over preceding year's level as a result of the increased number of stores. The said growth is considered to be incidental and proportionate as PSC continues to grow its store base.

There are no significant nor unusual expense incurred during the calendar year and is considered to be incurred in the normal course of business.

| | FY2012 | FY2011 | Increase (Decrease) | |
|--------------------------------|------------------|------------------|---------------------|------------|
| | | | Value | Percentage |
| Communication, light and water | 822,136 | 610,998 | 211,138 | 35% |
| Outside services | 663,222 | 527,283 | 135,938 | 26% |
| Rent | 527,787 | 378,355 | 149,431 | 39% |
| Depreciation and amortization | 488,292 | 401,629 | 86,664 | 22% |
| Personnel costs | 269,969 | 271,925 | -1,957 | -1% |
| Advertising and promotion | 171,676 | 128,106 | 43,571 | 34% |
| Royalties | 139,445 | 119,151 | 20,294 | 17% |
| Trucking services | 133,085 | 106,491 | 26,594 | 25% |
| Repairs and maintenance | 120,155 | 101,447 | 18,708 | 18% |
| Supplies | 119,945 | 98,719 | 21,226 | 22% |
| Taxes and licenses | 95,053 | 69,397 | 25,656 | 37% |
| Warehousing services | 85,985 | 76,190 | 9,796 | 13% |
| EAR | 38,477 | 26,473 | 12,004 | 45% |
| Transportation and travel | 24,610 | 28,170 | -3,560 | -13% |
| Inventory losses | 23,875 | 19,907 | 3,968 | 20% |
| Dues and subscription | 9,356 | 5,898 | 3,458 | 59% |
| Insurance | 8,969 | 6,033 | 2,936 | 49% |
| Amortization of software | 1,490 | 2,599 | -1,108 | -43% |
| Provision for impairment | 789 | 3,811 | -3,022 | -79% |
| Others | 41,346 | 29,596 | 11,749 | 40% |
| Total | 3,785,662 | 3,012,178 | 773,484 | 26% |

(amount in thousand Pesos)

Interest Expense

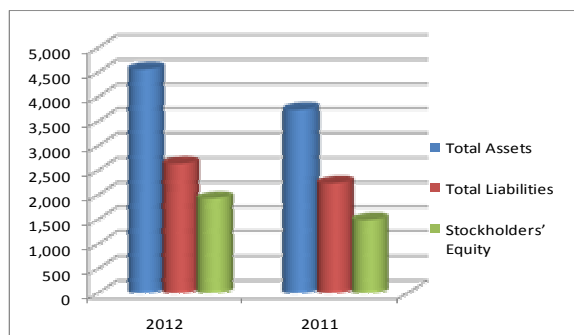
Interest incurred to service debt went up by 3.8% to P16.3 million compared with 2011 level of P165.7 million. Outstanding loan balance at the end of 2012 was pegged at P477.8 million, up by P103.1 million or 27.5% from P374.7 million at the beginning of the year.

Net Income

Net income in 2012 grew by P108.3 million or 30.4% to P464.6 million. This was primarily due to improved sales, higher margins and continued store expansion.

The net income generated during 2012 translated into a 4.0% return on sales and 27.1% return on equity. The key ratios in 2012 are slightly better compared to the ROS and ROE of 3.8% and 26.7%, respectively, a year ago. Moreover, earnings per share reached P1.17 per share at the end of 2012, up from P0.89 a year earlier.

Financial Condition



| Balance Sheet Highlights | | |
|----------------------------------------------|-------|----------|
| (in PHP Million except book value per share) | 2012 | % Change |
| Total Assets | 4,564 | 22% |
| Current Assets | 1,786 | 35% |
| Non-current Assets | 2,778 | 15% |
| Current Liabilities | 2,386 | 20% |
| Total Liabilities | 2,638 | 18% |

Total assets increased by P830.0 million or 22.2% to P4.6 billion at the end of 2012. Cash and cash equivalents during the year increased to P415.3 million from P394.7 million at the beginning of the year.

Cash flow from operations increased by 10%, and revolving credit lines were utilized to support investing activities and payment of 10 centavo cash dividend totaling to P34.6 million.

Receivables increased by P135.3 million or 56.5% due to higher balance of supplier collectibles arising from ad and promo programs implemented during the year. Other receivables also increased as the company leverages its balance sheet to provide collateralized financing to franchisees.

Merchandise inventories reached P727.0 million, an increase of P207.7 million or 40% compared with 2011 level attributed to forward buying aimed towards generating additional revenues. Inventory turnover likewise slowed to 13.7 times from 14.9 times in the preceding year.

Prepayments and other current assets grew by P97.5 million owing to increase in advance rent paid for new stores and down payments to equipment vendors. The aforementioned factors resulted into a net increase in total current assets by P461.1 million from the balance at the start of the year.

Total current liabilities increased by P395.1 million or 19.8% mainly due to the increase in non-trade accounts payable.

The Company operates on a negative working capital position, which is manifested by a current ratio of 0.75:1 from 0.67 in 2011. This is because cash proceeds from retail sales are invested in long-term assets and at the same time utilizing credit term extended by trade suppliers.

Property and equipment, net of accumulated depreciation increased by ₱330.9 million mainly due to capital expenditure spent in relation to store expansion and investment in store equipment to support new product lines.

During the year, the company invested in the remodeling of 20 existing stores to a new look, which features softer lighting, earthier tones, and increased dining space.

Stockholders' equity at the end of 2012 comprises 42.2% of total assets, compared to 40.1% at the beginning of 2012. Debt to equity ratio is pegged at 1.37 for 2012 from 1.50, end of 2011.

Liquidity and Capital Resources

The Company obtains majority of its working capital requirements from cash generated by retailing operations and franchising activities and borrowings under the revolving facility extended by banks.

PSC believes that operating activities and available working capital sources will provide sufficient liquidity in 2013 as it continues to expand its store base. This will enable the Company to fund its capital expenditure, pay dividends and other general corporate purposes.

The ability of the Company to generate free cash flow did not substantially change in 2012 despite of the faster rate of increase in current assets, which grew by 34.8% against the 19.8 uptick in current liabilities.

Current assets increased due to inventory build up, timing difference in receivables and payment of advance rent for stores waiting to open. Current liabilities, on the other hand, recorded a slower pace of increase due to shorter payment terms observed with the objective of generating additional revenues in the form of rebates and discounts.

As a result, net cash flow provided by operations stood at P869.5 million against net cash outflow from investing activities, which mainly came from capital expenditures, of P900.4 million. This translated into a negative free cash flow of P31.0 million, a reversal from the positive free cash flow generated in 2011, which stood at P27.1 million.

Management believes that this trend will be favorable in the long term, as rate of store expansion will be entering a more rapid stage augmented by improving economic outlook and prevailing positive investor sentiment in the country.

The following are the discussion of the sources and uses of cash in 2012.

| | 2012 | 2011 | Variance | |
|----------------------------------------------|------------------|-------------|-------------|-------------|
| | (in million PhP) | | Amount | % |
| Income before income tax | 674 | 518 | 156 | 30% |
| Depreciation and amortization | 528 | 378 | 150 | 40% |
| Working capital changes | -333 | -108 | -225 | 208% |
| Net cash from operating activities | 869 | 788 | 81 | 10% |
| Additions to property and equipment | -859 | -717 | -142 | 20% |
| Increase in other assets | -41 | -44 | 3 | -7% |
| Net cash used in investing activities | -900 | -761 | -139 | 18% |
| Net availment (payment) of bank loan | 102 | 55 | 47 | 85% |
| Payment of cash dividend | -34 | -30 | -4 | 13% |
| Interest paid | -17 | -16 | -1 | 6% |
| Net cash from financing activities | 51 | 9 | 42 | 467% |
| Net decrease in cash | 20 | 36 | -16 | -44% |
| Cash and cash equivalent, beginning | 395 | 359 | 36 | 10% |
| Cash and cash equivalent, ending | 415 | 395 | 20 | 5% |

Cash Flows from Operating Activities

Net cash generated from operating activities in 2012 resulted to ₱869.5 million, compared to P788.0 million generated last year. Such is attributable to increase in income before income tax by 156.2 million compared last year. Other current liabilities also increased by 243.4 million this year. Depreciation and amortization also increased cash from operating activities with an amount higher by 149.4 million compared with last year.

Cash Flows from Investing Activities

Net cash used in investing activities amounted to ₱900.5 million in 2012 compared to net cash out flow of ₱760.8 million in 2011. Major cash outlay went to the procurement of store

equipment, new store constructions and renovations. There are 148 new stores opened in 2012

We have updated the look of our stores, and made them more energy efficient. Beginning in the third quarter, all new stores will be built to this standard, which requires slightly more capital expenditure than the previous but more profitable in the long run. We have also renovated close to 20 stores to date, and will be renovating more as they come due.

Majority of the company's commitments for capital expenditures for the year are for new store constructions and renovations. Funds for these expenditures are expected to come from the anticipated increase in cash flows from retail operations and from additional borrowings if the need for such may arise.

Cash Flows from Financing Activities

Net cash inflow from financing activities reached P51.8 million representing availments of new short-term loans in the amount of P210.0 million, payment of cash dividends and bank loans of P34.7 million and P106.9 million, respectively.

We expect to take advantage of supplier credit and utilizing the line extended by leading local banks in funding our market development strategy.

DISCUSSION OF THE COMPANY'S KEY PERFORMANCE INDICATORS

System Wide Sales

System-wide sales represents the overall retail sales to customers of corporate and franchise-operated stores.

Revenue from Merchandise Sales

Revenue corresponds to the retail sales of corporate owned and sales made by stores under labor franchise. This also includes merchandise sales of the Company to franchise operated stores.

Net Income Margin

Measures the level of recurring income generated by continuing operations relative to revenues and is calculated by dividing net income over revenue from merchandise sales.

Return on Equity (ROE)

The ratio of the net income over average stockholders' equity and indicates the level of efficiency with which a company utilizes owners' capital.

Current Ratio

Current Ratio is a measure of the Company's liquidity, an indicator of its capability to settle short-term obligations.

Debt-Equity Ratio

Debt-Equity Ratio is a measure of the Company's liabilities in relation to its shareholders' equity.

Asset-to-Equity Ratio

The asset/equity ratio is one of the standard formulas used to ascertain the overall financial stability of a company.

| FOR THE YEAR | 2012 | 2011 | % change |
|-------------------------------------------|-------------|-------------|-----------------|
| System wide Sales (in '000s) | 13,370,773 | 10,696,614 | 25% |
| Revenue from Merchandise Sales (in '000s) | 11,713,760 | 9,435,604 | 24% |
| Net Income Margin | 3.97% | 3.78% | 5% |
| Return on Equity | 27.15% | 26.72% | 1% |
| Current Ratio | 0.75 | 0.67 | 12% |
| Debt-to-equity ratio | 1.37 | 1.50 | -8% |
| Asset-to-equity ratio | 2.37 | 2.50 | -5% |
| Interest rate coverage ratio | 41.65 | 33.36 | 25% |
| Earnings Per Share | 1.17 | 0.89 | 31% |

FINANCIAL CONDITION AND RESULTS OF OPERATIONS IN 2011 COMPARED WITH 2010

Results of Operations

At the end of 2011, PSC has generated net income totaling to ₱356.3 million. This represents an increase of 29% compared with the 2010 level of ₱276.9 million. EPS during the period likewise grew by 29 percent and is pegged at ₱1.03 per share. Moreover, share prices of the Company surged by 72% from ₱15.04 at the beginning of the year to ₱25.90 per share at the end of 2011.

The improved earnings results can be attributed to the growth in system-wide sales brought about by the opening of 147 new stores. This increased store base by 25% bringing store count to 689 by year-end. In addition, continuous supplier support and sustained franchise revenues contributed positively to the bottom-line.

System-wide sales, the measure of sales of all corporate and franchise-operated stores, rose by 17% to ₱10.7 billion from ₱9.1 billion in 2010. This was driven mainly by the increase in store base and favorable sales registered by mature stores, which generally recovered during the second half of the year.

Revenue from merchandise sales grew by 24% to ₱9.4 billion while cost of goods sold went up by 27% to ₱7.1 billion resulting into gross profit of ₱2.3 billion.

New operators boosted franchise store count to 443 and grew franchise revenues by 21% to ₱534.0 million. Marketing income continued to support corporate earnings by delivering ₱484.9 million, an increase of 43% from 2010 level.

EBITDA (earnings before interest, taxes, depreciation and amortization) rose by 31 percent from ₱682.6 million in 2010 to ₱891.1 million while EBITDA margin improved to 8.3% percent at the end of the year.

Revenue and Gross Margin

The Company registered total revenue from merchandise sales of P9.4 billion in 2011, an increase of 24% compared to P7.6 billion in 2010. Cost of merchandise sold rose by P1.5 billion to P7 billion during 2011.

Gross Profit stood at P2.3 billion, while GP in relation to sales went down by 1.8% owing to the dilution brought about by the increase in Company's sales to franchise stores, which is accounted for at zero mark-up.

Products in the services category, which form part of the Company's commission income, are physical cards, bills payment and consigned goods. Commission income rose by 27.2% to P37.2 million.

| | FY2011 | FY2010 | Increase (Decrease) | |
|---------------------------------------|------------|------------|---------------------|------------|
| | | | Value | Percentage |
| Revenue from merchandise sales | ₱9,435,604 | ₱7,612,243 | ₱1,823,361 | 24% |
| Cost of merchandise sales | 7,091,497 | 5,585,270 | 1,506,227 | 27% |
| Gross profit | ₱2,344,107 | ₱2,026,973 | ₱317,134 | 16% |
| Commission income | ₱37,236 | ₱29,272 | ₱7,964 | 27% |
| <i>(amount in thousand Pesos)</i> | | | | |

Other Income

Other income mainly consisted of franchise revenues, marketing income and rentals. The Company's total other income increased by P244.0 million, to P1.1 billion as a result of the following:

Marketing income grew by P142.6 million from 2010 level. This was due to increased supplier-supported ad and promo spending, driven by system innovations that allow an increasing number of options for our supplier partners to build their brands in our stores. The goal is to become the preferred trade partner for manufacturer's brand building needs.

The Company's share in the gross profit of franchise-operated stores is recognized as franchise revenue and it climbed to P534.0 million from P442.8 million in 2010. This was the result of the increase in number of franchise-operated stores that reached 274 at the end of the 2011. Rent income increased by 18% from P37.4 million to P44.1 million.

In 2010, the Company collected from Meralco the PPA refund by virtue of the Supreme Court Ruling of 2003 in the amount of ₱23.1 million.

No significant element of income came from sources other than the result of the Company's continuing operations.

General and Administrative Expense

General and administrative expense which is comprised of store operating and selling expenses as well as headquarters expenses went up by 19% or ₱480.8 million and totaled to ₱3.0 billion in 2011. The increase in expense can be mainly attributed to the higher number of operating stores.

Communication, light and water were the highest contributor in expenses and accounted for 20% of the total G & A in 2011. This represents a 16% increase compared with 2010 level as electricity rates became stable in 2011. Outside services accounted for 18% of total G & A expense and this is followed by rent, depreciation and amortization accounting for 13% apiece. Relative to sales, rent improved to 4.3% from 4.5%.

Personnel costs aggregated to ₱271.9 million and declined by 5% compared with preceding year's level as the Company continued with its outsourcing initiatives to contain costs. Ratio to sales was 2.9% in 2011 and 3.8% in 2010. Personnel costs include salaries and wages at ₱161.2 million, employee benefits at ₱98.3 million and pension costs at ₱12.4 million. Combined personnel and outsourced services, net of service fees improved in relation to revenue.

All other expense types went up over preceding year's level as a result of the increased number of stores. The said growth is considered to be incidental and proportionate as PSC continues to grow its store base. There are no significant nor unusual expense incurred during the calendar year and is considered to be incurred in the normal course of business.

| | FY2011 | FY2010 | Increase (Decrease) | |
|---------------------------------------|----------|----------|---------------------|------------|
| | | | Value | Percentage |
| Communication, light and water | ₱610,998 | ₱528,123 | ₱82,875 | 16% |
| Outside services | 527,283 | 389,213 | 138,070 | 35% |
| Rent | 401,629 | 341,397 | 60,232 | 18% |
| Depreciation and amortization | 378,356 | 291,804 | 86,552 | 30% |
| Personnel costs | 271,925 | 287,246 | -15,321 | -5% |
| Advertising and promotion | 119,152 | 101,175 | 17,977 | 18% |
| Royalties | 106,491 | 90,693 | 15,798 | 17% |
| Trucking services | 128,106 | 89,416 | 38,690 | 43% |
| Repairs and maintenance | 101,447 | 86,964 | 14,483 | 17% |
| Supplies | 98,719 | 81,307 | 17,412 | 21% |

Forward

| | | | | |
|----------------------------------|-------------------|-------------------|-----------------|------------|
| Taxes and licenses | 76,190 | 68,340 | 7,850 | 11% |
| Warehousing services | 69,397 | 58,180 | 11,217 | 19% |
| EAR | 28,170 | 36,145 | -7,975 | -22% |
| Transportation and travel | 26,473 | 23,642 | 2,831 | 12% |
| Inventory losses | 19,907 | 14,659 | 5,248 | 36% |
| Dues and subscription | 5,898 | 5,144 | 754 | 15% |
| Insurance | 6,033 | 4,216 | 1,817 | 43% |
| Amortization of software | 2,599 | 3,090 | -491 | -16% |
| Provision for impairment | 3,811 | 1,623 | 2,188 | 135% |
| Others | 29,594 | 29,010 | 584 | 2% |
| | ₱3,012,178 | ₱2,531,390 | ₱480,788 | 19% |

(amount in thousand Pesos)

Interest Expense

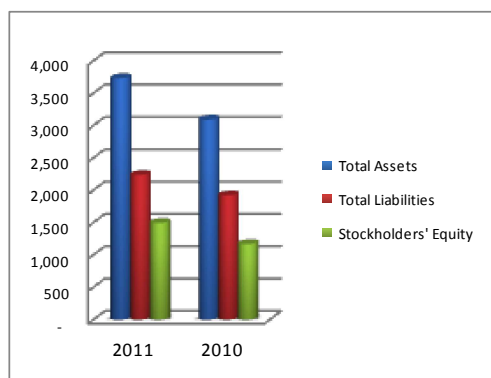
Interest incurred to service debt went down slightly by 2% to ₱16.0 million owing to lower interest rates. Outstanding loan balance at the end of 2011 was pegged at ₱374.7 million, up by ₱54.7 million or 17% from ₱320.0 million at the beginning of the year.

Net Income

Net income in 2011 grew by P79.5 million or 29% to ₱356.3 million. This was primarily due to better sales, continuing support from trade suppliers and store expansion.

The net income generated during 2011 translated into a 3.8% return on sales and 23.8% return on equity. The key ratios in 2011 are much better compared to the ROS and ROE of 3.6% and 23.7%, respectively, a year ago. Moreover, EPS is pegged ₱1.03 at the end of 2011, up from ₱0.80 a year earlier.

Financial Condition



Total assets

| Balance Sheet Highlights (in Php Million except book value per share) | 2011 | % Change |
|-----------------------------------------------------------------------------|-------|-------------|
| Total Assets | 3,734 | 21% |
| Current Assets | 1,429 | 23% |
| Non-current Assets | 2,305 | 19% |
| Current Liabilities | 1,991 | 17% |
| Total Liabilities | 2,238 | 16% |
| Stockholders' Equity | 1,497 | 28% |
| Book Value Per Share (P) | 4.32 | 11% |

increased by P641.1 million or 21% to ₱3.7 billion at the end of 2011. Cash and cash equivalents during the year increased to ₱394.7 million from ₱358.7 million at the beginning of the year.

The year was characterized by strong cash flow from operations enabling the Company to manage its resources on an effective and efficient manner. Cash flow from operations increased by 18% to support 8% increase in cash flow used in investing activities and payment of cash dividends.

Merchandise inventories reached ₱519.3 million, an increase of ₱116.8 million or 29 percent compared with 2010 level. This was due to increase in number of franchised stores and faster inventory turnover that improved to 12.4 times from 12.0 times in the preceding year.

Receivables increased by ₱81 million due to higher balance of supplier collectibles arising from ad and promo programs implemented during the year. Others are receivables from Franchisees, employees and sublease spaces. Inventories went up by ₱116.8 million while prepayments were up by ₱32.8 million coming from advance rent paid for new stores and down payments to equipment sellers. The aforementioned factors resulted into a net increase in total current assets by ₱266.6 million from the beginning of the year.

Total current liabilities increased by ₱281.5 million or 16.5% mainly due to the increase in trade payables and other current liabilities. However, current ratio went up to 0.72 to 1 in 2011 against 0.68 to 1 at the beginning of the year.

The Company operates on a negative working capital position, which is manifested by a current ratio of 0.72:1 from 0.68 in 2010. This is because cash proceeds from retail sales are

invested in long-term assets and at the same time utilizing credit term extended by trade suppliers.

Property and equipment, net of accumulated depreciation increased by ₱338.7 million mainly due to capital expenditure spent in relation to store expansion.

Stockholders' equity at the end of 2011 comprises 40.1% of total assets, compared to 37.8% at the beginning of 2011. Debt to equity ratio pegged at 1.50 for 2011 from 1.64, end of 2010.

Liquidity and Capital Resources

The Company obtains majority of its working capital requirements from cash generated by retailing operations and franchising activities and borrowings under the revolving facility extended by banks

PSC believes that operating activities and available working capital sources will provide sufficient liquidity in 2012 as it continue to expand its store base. This will enable the Company to fund its capital expenditure, pay dividends and other general corporate purposes. The following are the discussion of the sources and uses of cash in 2011.

| | 2011 | 2010 | Variance | |
|----------------------------------------------|------------------|-------------|------------|--------------|
| | (in million PhP) | | Amount | % |
| Income before income tax | 518 | 406 | 112 | 28% |
| Depreciation and amortization | 378 | 292 | 86 | 29% |
| Working capital changes | -111 | -33 | -78 | 236% |
| Net cash from operating activities | 785 | 665 | 120 | 18% |
| Additions to property and equipment | -717 | -672 | -45 | 7% |
| Increase in other assets | -41 | -31 | -10 | 32% |
| Net cash used in investing activities | -758 | -703 | -55 | 8% |
| Net availment (payment) of bank loan | 55 | -20 | 75 | -375% |
| Payment of cash dividend | -30 | -14 | -16 | 114% |
| Interest paid | -16 | -17 | 1 | -6% |
| Net cash from financing activities | 9 | -51 | 60 | -118% |
| Net decrease in cash | 36 | -90 | 126 | -140% |
| Cash and cash equivalent, beginning | 359 | 449 | -90 | -20% |
| Cash and cash equivalent, ending | 395 | 359 | 36 | 10% |

Cash Flows from Operating Activities

Net cash generated from operating activities in 2011 resulted to ₱785.5 million, compared to P664.3 million generated last year. Such is attributable to increase in income before income tax by 112.8 million compared last year. Accounts payable also increased by 165 million this year. Depreciation and amortization also increased cash from operating activities with an amount higher by 86.5 million compare last year.

Cash Flows from Investing Activities

Net cash used in investing activities amounted to ₱758 million in 2011 compared to net cash out flow of ₱703 million in 2010. Major cash outlay went to the procurement of store

equipment, new store constructions and store renovations. There were 147 new stores opened from last year to current year.

Majority of the company's commitments for capital expenditures for the year are for new store constructions and renovations. Funds for these expenditures are expected to come from the anticipated increase in cash flows from retail operations and from additional borrowings if the need for such may arise.

Cash Flows from Financing Activities

Net cash inflow from financing activities reached ₱8.8 million representing availments of bank loans in the amount of P230 million, payment of cash dividends and bank loans for 30 million and 175 million respectively while interest expense on outstanding bank loans totaled P15.7 million.

PSC expects to reduce the level of its debt within the next three years to minimize the impact of interest expense in the net income and consequently reduce the leverage ratios.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS IN 2010 COMPARED WITH 2009

Results of Operations

At the end of calendar year 2010, PSC has generated net income totaling to ₱276.9 million. This represents an increase of 78% compared with the 2009 level of ₱155.8 million. EPS during the period grew by 77% and is pegged at ₱0.92. Moreover, share prices of the Company doubled from ₱7.00 per share at the end of 2009 to more than ₱14.00 per share at the end of 2010.

The improved earnings results can be attributed to the growth in system-wide sales and opening of 112 new stores that increased store base by 24% to 551 stores at the end of the year. In addition, continuous supplier support and higher franchise revenues contributed positively to the bottom-line.

System-wide sales, the measure of sales of all corporate and franchise operated stores, rose by 29 percent to ₱9.1 billion from ₱7.1 billion in 2009. This is driven mainly by the higher number of operating stores and improvement in same store sales. Sales went up as a result of better weather conditions coupled by favorable effect of a recovering economy and higher spending during the election season.

Revenue from merchandise sales grew by 26% to ₱7.6 billion while cost of goods sold went up by 28% to ₱5.6 billion resulting into gross profit of ₱2.0 billion enabling the Company to meet its profit guidance for the year.

New operators boosted franchise store count by 27% and grew franchise revenues by 46% to P442.8 million. Marketing income continued to support corporate earnings by delivering ₱338.8 million, an increase of 43% from 2009 level.

EBITDA (earnings before interest, taxes, depreciation and amortization) rose by 55% from ₱441.8 million in 2009 to ₱684.5 million while EBITDA margin improved to 7.5% percent at the end of the year.

Financial Condition

Total assets of the Company rose by 14% to ₱3.1 billion at the end of 2010. Current assets slightly decreased by 1 percent due to the 18% reduction in cash and cash equivalent which settled at ₱368.9 million. The decrease in cash was due to the following factors;

- a. store expansion which was funded internally
- b. repayment of debt
- c. payment of cash dividend

The year was characterized by strong cash flow from operations enabling the Company to manage its resources on an effective and efficient manner.

Merchandise inventories reached ₱402.4 million, a decrease of ₱13.2 million or 3% compared with 2009 level. This was due to increase in number of franchised stores and faster inventory turnover that improved to 14 times from 12 times in the preceding year.

Receivables and prepaid and current assets went up by 13% and 33%, respectively. Combined, the two accounted for 13% of total assets owing to the increase in advance rental paid for stores waiting in the pipeline and higher balance of supplier collectibles due to more ad and promo programs implemented during the year.

The Company operates on a negative working capital position which is manifested by a current ratio of 0.7:1 (same with 2009). This is because cash proceeds from retail sales are invested in long-term assets and at the same time utilizing credit term extended by trade suppliers.

Further, non-current assets had grown by 26% to ₱1.9 billion due mainly to the 31% growth in property and equipment resulting from continued store opening. Property and equipment now accounted for 52% of total assets, higher compared with 45% in the same period in 2009. For company-owned stores, PSC, invest on leasehold improvement and equipment, while for franchised stores, investment is only for the latter.

By year-end, total liabilities rose by 7% or ₱121.4 million to ₱1.9 billion mainly due to the higher current liabilities which grew by 6% or ₱91.5 million. Net trade payables went up by 6% or ₱50.8 million because of increase in trade purchases while average payable period shortened to 54 days from 59 days in the preceding year.

Short term debt which pertains to unsecured bank loans went down by 6% or ₱20.0 million to end 2010 with outstanding debt of ₱320.0 million. Income tax payable was higher by 18% at year-end due mainly to increase in taxable income while other current liabilities increased by 25% to end 2010 at the ₱265.0 million level.

Noncurrent liabilities posted an increase of ₱121.4 million or 7% attributed to higher deposit payable of 19% which came from rent and guaranty deposit paid by franchisees and operators.

Stockholders' equity at the end of 2010 comprises 38% of total assets, higher compared to 34% at the beginning of the year. This increased by P262.5 million or 29% mainly due to the

net income earned during the year. As a result, debt to equity ratio improved to 1.6:1 from 2.0: 1 in 2009.

Liquidity and Capital Resources

The Company obtains majority of its working capital requirements from cash generated by retailing operations and franchising activities and borrowings under the revolving facility extended by banks

PSC believes that operating activities and available working capital sources will provide sufficient liquidity in 2011. This will enable the Company to fund its capital expenditure, pay dividends and other general corporate purposes. The following are the discussion of the sources and uses of cash in 2010.

Cash Flows from Operating Activities

Net cash used from operating activities increased by ₱123.1 million or 23% mainly driven by the P174.8 million or 76% growth in income before tax. Net working capital was lower by P141.0 million.

Cash Flows from Investing Activities

Net cash used in investing activities totaled to ₱703.1 million, an increase of 80 percent compared with 2009 level. Major cash outlay went to the procurement of store equipment, new store constructions and store renovations. There are 112 new stores opened in 2010 against 7 store closures resulting into net opening of 105 stores. This is higher compared to net opening of 78 stores in 2009.

Cash Flows from Financing Activities

Net cash used in financing activities reached ₱50.9 million almost tripling the 2009 level of ₱17.2 million. The increase was due to net repayment of debts during the year totaling to P20.0 million, payment of interest expense and cash dividend amounting to ₱16.6 million and ₱14.4 million, respectively.

PSC expects to reduce the level of its debt within the next three years to minimize the impact of interest expense in the net income and consequently reduce its leverage ratios.

Discussion and Analysis of Material Events and Uncertainties

1. There are no known trends, events and uncertainties that will have a material impact on liquidity after the balance sheet date.
2. There are no material off-balance sheet transactions, arrangements and obligations of the Company with unconsolidated entities during the reporting period.
3. All of the Company's income was earned in the ordinary course of business.

4. There are no seasonal aspects that have a potentially material effect on the financial statements.
5. The Company's financial risk management objectives and policies are discussed in Note 30 of the December 31, 2012 Notes to Audited Consolidated Financial Statements.
6. There are no other known trends, events and uncertainties that will have a material impact on the Company's liquidity.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant: **PHILIPPINE SEVEN CORPORATION**



JOSE VICTOR P. PATERNO

President and CEO

June 06, 2013



LAWRENCE M. DE LEON

Manager

Finance & Accounting Services Division

June 06, 2013